

United States  
Circuit Court of Appeals  
For the Ninth Circuit. <sup>2</sup>

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Transcript of Record.  
(IN FOUR VOLUMES.)

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LOST HILLS MINING COMPANY, a Corpora-  
tion, and UNIVERSAL OIL COMPANY,  
a Corporation,

Appellants,

vs.

THE UNITED STATES OF AMERICA,

Appellee.

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VOLUME IV.  
(Pages 1185 to 1530, Inclusive.)

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Upon Appeal from the United States District Court for the  
Southern District of California, Northern Division.

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(Testimony of H. H. Ochsner.)

Three of us took those samples—Mr. Fischel, one of the [902] employees of the Oil Company, and myself. I do not know the name of the employee. He was one of the men sent out with a pick and shovel with us. After we came back to headquarters the sample bag was locked by Mr. Fischel and myself and not opened until they reached our office in San Francisco. They were in the possession of Mr. Fischel and myself.

I don't know how many new cuts we made in our sampling. There were a number of small pits of no great area. Simply to penetrate the material to get fresh samples. We did not make any independent new extensive cuts, but little holes to get down into the material. And those were not always made in those old cuts; that is, we did not clean off the face, but part of them were done there and part of them were fresh holes. I do not remember the exact number now.

Those holes were usually made deep enough to penetrate the gypsite surface. I would estimate that about ten per cent of the Northeast quarter of section 30 was not covered by gypsum. That was merely a casual glance as I went over it; no very accurate measurement. I have only sampled the two properties to determine the gypsum contents and area—the one at King City and the one in Ventura County; and this one.

I have done more or less sampling of mining properties for the last three or four years, of cars of ore,

(Testimony of H. H. Ochsner.)

and deposits in some cases. I don't know how many I have done in the last three or four years, but would give an estimate of eight or ten or twelve or fifteen. I don't know how many. They were all sampled in this way.

I am not a mining engineer; I am a geologist. I never pursued the profession of a mining engineer. I am not a developer or actual engineer of properties. My study has been [903] more along the line of the deposition and formation of deposits than the practical end of mining or the production of oil. My original work was more along the line of paleontology. The deposition of gypsum has an important relation with paleontology. All ore bodies have very interesting relations with historical geology. Historical geology has great influence on the work as the basis on which they estimate the history of the things as they appear. It is true that it may have been an influence on it as far as it may be affected by the deposition of different animal organisms. That is the record. Gypsum is not derived from the deposition of any animal organism. It is purely chemical.

**Testimony of W. B. Wallace, for Defendants.**

W. B. WALLACE, produced as a witness on behalf of the defendants, having been duly sworn, testified as follows:

Direct Examination.

(By Mr. DUNNE.)

I am the Superior Judge of Tulare County in this State. I have been Superior Judge nearly eighteen

(Testimony of W. B. Wallace.)

years. It will be eighteen years next January. I am the incumbent Superior Judge of that county.

Q. Now, Judge, to come to the point with as little loss of time as possible, a letter has been offered in evidence here from you referring to the location of the northeast quarter of Section 30 for the Devil's Den Company, and a resolution of the board of directors has also been offered in evidence. I call your attention to those two papers and will ask you presently to look at them. But I wish, in the first place, that you would state in your own way the facts relative to the original location of this Devil's Den property, and whether at the time of the original location the [904] Devil's Den Consolidated Mining Company was interested therein or had any preconcert with you or the other locators that such location should be not for your benefit but for the benefit of the company. Will you give that history in your own way?

A. That location was made at the time many other locations were made and, as I recollect, in February, 1907. I think that was the date. As to my connection with the location, it came about in this way: Mr. O. D. Barton was in Visalia, I think, at the time the Devil's Den Consolidated Company had a meeting of its Board of Directors or stockholders. I think it was a meeting of the Board of Directors. He came to me on the street in Visalia and said he was going into the Lost Hills region to make some locations. I knew of the region by reputation. I had never been there or seen any of the land. He

(Testimony of W. B. Wallace.)

asked me if I would like to be in on the locations that were made and he said if I did he would locate me with others on lands there, and I told him, yes, I would like to be located in the group. I supposed it would be about a section or two sections that he was going to locate. That was all that was said. Subsequently he made the location and returned and told me about it, and I think I was located on twenty claims with a number of others. Amongst the locators were many of the stockholders of the Devil's Den Consolidated Oil Company. At that time I was president of the company and I was one of the original organizers of it, and one of the locators of the claims which it originally acquired in what is called the Devil's Den region. Now, at the time Mr. Barton spoke to me—and that was the only conversation I ever had with him prior to the location of these claims—he made no suggestion that the Devil's Den Consolidated Oil Company acquire any title to the lands there or make any locations. There was nothing said about it, and I did not authorize him to use my name to make a location for the company. And, more than that, we had never at that time discussed [905] the matter of acquiring any lands in the Lost Hills country amongst the stockholders nor amongst the directors. I was at all the meetings at the time I was president of the Devil's Den Consolidated Oil Company, and the matter of acquiring other lands than those we had was never suggested. Mr. Barton was the agent of the Devil's Den Oil Company in the field and he rarely came to Visalia except to the meet-



(Testimony of W. B. Wallace.)

ings of the company, and generally then not unless he was called there on some important business. It was some time after that before he returned to Visalia and reported to me and others there that he had made the locations. I do not recall how long it was after the locations were made, but it was several weeks after that when I think he suggested that it would be a good idea to convey one of our group of claims to the Devil's Den Consolidated Oil Company, in order to get that company in the field. We had been operating in the Devil's Den with rather poor success, and I told him I was satisfied at the time to convey my interest in any claims there that he thought proper. He saw other locators and talked with them and he selected this particular tract of land—the Northeast quarter of Section 30, I think—to be conveyed to the company. I knew nothing about the land and knew nothing about the difference between one location and another. I had never been in the region. The others who were located in that claim finally came and made conveyance of it to the company and the matter was reported to the company and they agreed to take it over and subsequently a deed was made and signed by all of us conveying it to the company. There was no consideration whatever and nothing done by the company up to that time excepting to accept the deed, which they did. (Nar. cont'd.) We received no stock for our location. We received nothing. We were stockholders in the company. At that time, after the locations had been made and after those locations had been

[(Testimony of W. B. Wallace.)

finally [906] turned over to the Devil's Den Company in the way that I have described, there were some eighteen or nineteen or twenty other individual locations outstanding. In round figures, I think Barton had made about twenty-one locations.

After Barton made the suggestion subsequently that one of these locations be turned over to the Devil's Den and that was carried out, there were still outstanding in the individual locators the remaining twenty. These remaining twenty locations got into corporation some two years later. That was the Lost Hills Company. Then the location that got into the Devil's Den Company got into that company a few weeks or a month after it was located by the individual locators. That was some time after that the Devil's Den location was transferred to the Devil's Den Company. And I think it was not more than two years before the outstanding individual locations, some twenty in number, were gathered up into a corporation organized as the Lost Hills Company.

Q. Now, with that history, I call your attention to the copy of the letter which you wrote to Mr. Hamel on the 24th of October, and ask you to explain to his Honor the circumstances under which that letter was written.

A. Perhaps I had better read the letter as I go along. This letter was written October 24, 1914. Mr. Hamel prior to that time had been to my office talking with me about these locations, and upon his return to San Francisco—I don't know whether I

(Testimony of W. B. Wallace.)

told him at that time; I was very busy—that I would write to him, but probably I did. Then I got a letter from him, or maybe two letters, asking me to write to him with reference to that locality. When it came to the time I was very busy in the trial of causes, although I think this letter was written on a Saturday. But I was working steadily all the time. I write: “In answer to [907] your inquiry as to the location as an oil mining claim of the Northeast quarter of Section 30, Township 26 South, Range 21 East, M. D. B. & M., which the locators thereof subsequently transferred to the Devil’s Den Consolidated Oil Company, I have to say that at the time said locators made their location on that tract of land I was a stockholder and director in said company, Mr. O. D. Barton was also a stockholder and the agent and manager thereof in the field. He, with H. J. Hoyt and other stockholders, and I believe directors in said company, went in the Lost Hills region, in which said lands were situated, to locate mining claims for different parties, who afterwards formed the Lost Hills Mining Company. While engaged in said work, they located the particular tract described, for the Devil’s Den Consolidated Oil Company, using eight names, all of which, as I recollect, were the names of stockholders in said company. My name was one of the eight. Barton reported the fact to us, and we eight ratified the location by him for the benefit of said company, and we joined in a deed conveying all our right, title and interest in said land to the Devil’s Den Consolidated Oil Company. The

(Testimony of W. B. Wallace.)

conveyance was made without pecuniary consideration whatever from the said company, and none of said locators, nor said company, paid Mr. O. D. Barton or Mr. Hoyt anything for making said location."

Now, with regard to this, "while engaged in said work they located the particular tract described for the Devil's Den Consolidated Oil Company," I don't know. This was written seven years and a half afterwards. We were in the habit of calling that the Devil's Den location or Devil's Den mine. We associated the company's name with it right along. And at that time I did not have in mind clearly just how that came about. And I referred to it that way here. But, however that was written, it is incorrect, because no suggestion was made to me beforehand with regard to making the location for the company, [908] nor did I ever talk with any one of the other locators with regard to locating it for the company, nor authorize Mr. Barton to use my name in making the location. "Barton reported the fact to us, and we eight ratified the location by him for the benefit of said company." Mr. Barton made the selection after we had acquired the location, to be conveyed to the company. He reported that fact to us, and that is evidently what caused me to write as I did, and we ratified the selection. I thought before I got a copy of this letter that I had used the word "selection" instead of "location," but I presume this is right. "We ratified the location by him for the benefit of said company," which evidently is misleading, but we joined in the deed, and the company, as a com-



(Testimony of W. B. Wallace.)

pany, had no knowledge of our making the location for it, nor did the stockholders have any knowledge of our making a location for it till it was proposed by Mr. Barton to transfer it to the company.

The WITNESS.—(Continuing.) At the time that Barton made this location which I call the Devil's Den location for convenience sake,—at the time he made the location for the individual locators before it got into the Devil's Den Company, I knew, of course, that a preconcert between the company and the ostensible locators to locate upon land not for their benefit, but, as prearranged, for the benefit of the company, would not be tenable in law, because I was at that time familiar with the mining law, and I would not have been a party to such a location. This selection by Barton, and my ratification of the selection and deeding of the selected location to the Devil's Den Company was a short time—some few weeks or two or three months—after the location had been made, and right along after that we called it the Devil's Den location to distinguish it from the other locations,—to distinguish it from the other outstanding twenty locations that we held individually. [909]

Q. I read to you the resolution at the meeting of April 13, 1907, which has been offered in evidence:

“At an adjourned meeting of the board of directors of the “Devil's Den Consolidated Oil Company, present W. B. Wallace”—that is yourself?

A. Yes, sir.

Q. “—J. N. Hoyt, I. T. Bell, J. E. Ennis and

(Testimony of W. B. Wallace.)

William Linderman. The following motion was passed: 'Ordered that the President of this board be ordered to instruct the agent of this company, O. D. Barton, to use some of the old lumber and wire on the lands of this company for the purpose of erecting a cabin and other improvements on the land recently located for this company in the Lost Hills.' '' I ask you, at the time that that resolution was passed, was it not understood at that time, although the technical deed came later, that this section made by Barton of this location would be put into the Devil's Den Company?

A. I couldn't say whether—was Mr. Barton present at that time or not?      Q. It does not appear.

A. Well, it may have been at the previous meeting. He came over very seldom. And it was before that meeting when he suggested to me that we convey this to the company, and I agreed to it, and he saw the other stockholders. But at that time the deed was not drawn; it was drawn some time later and it took some time to get it signed up. That is how that resolution came to be passed, and we all agreed to make a transfer at that time to the company.

It was before this location was made on the 13th of February, 1907, that we agreed to make the transfer, and this resolution was not passed until April 13, 1907, two months later. [910]

San Francisco, California, August 25, 1916.

2 o'clock P. M.

**Testimony of W. B. Wallace, for Defendants  
(Recalled).**

W. B. WALLACE recalled.

Mr. REDDING.—We would ask Judge Wallace to continue on the stand as a witness, and with particular reference to the northeast of 30, which is the Devil's Den Case, A-37, and be subjected to the cross-examination if Mr. Hall desires with reference to the testimony in that case.

Cross-examination.

(By Mr. HALL.)

The WITNESS.—I am acquainted with Mr. C. D. Hamel. He came there and interviewed me generally with regard to the question of *bona fides* of the location of the Devil's Den claim on the Northeast of 30, and the Lost Hills locations—all of them. That interview was some time prior to the date of that letter. I do not recall the time. I think Mr. Hamel had two interviews with me, but I am not certain. At that time I was busily engaged in holding court. It has been so long ago I don't recall whether any considerable period of time elapsed between the first and second visit to me. I am inclined to think that he was in Visalia and then went away and returned. That is my impression. It may have been several weeks.

I don't think Mr. Hamel asked me for any affidavit during that time. I don't recall that he did.

(Testimony of W. B. Wallace.)

After that time he wrote me a letter on this subject. I have not kept any copies, and don't recall the substance of it now. The letter which was shown to me this morning was a reply to the letter, whatever the contents may have been. I cannot tell how many days elapsed between the receipt of this letter from Mr. Hamel and my reply. I do not recall. It may have been several days, and it may have been only two or [911] three.

At that time I had known generally that the Government was making investigations in regard to the locators of these several sections; I thought the investigation was going mainly to the mineral character of the land—what we located it for—what kind of mineral. That seemed to be the main thing. In his conversations with me I do not recall whether he inquired about the *bona fides* of the locators, excepting as to that matter of whether we were locating for minerals that existed there, and—I know he did with regard to gypsum; but whether or not it was in regard to this particular tract of land being a *bona fide* location, I don't recall whether he said anything about that or not.

I have forgotten all about the contents of the letter, whether it inquired specifically as to that. I don't know what was in it. But this letter which I read in evidence was in reply to whatever inquiry was made in his letter to me. But so far as I recollect, he wanted to know how the location was made—this tract that the Devil's Den Oil Company got. I was interested, of course, and was President of

(Testimony of W. B. Wallace.)

the Devil's Den Oil Company, and had been since its formation; I was one of the organizers of the company. I was familiar with the property held by the Devil's Den Consolidated Oil Company, and what they had acquired. But I had never been on this land until long afterwards.

I think it is a fact that this northwest quarter of Section 30 was the only quarter-section of land that the Devil's Den Consolidated Oil Company held or owned which was situated in the Lost Hills country. Yes, I know it. We never acquired any other tract than this one in the Lost Hills. So when I referred in any way to the property of the Devil's Den Consolidated Oil Company which is in the Lost Hills, that reference can only go to the [912] particular tract in question. Our other holdings were over in the Devil's Den country, which was separated by some distance from the Lost Hills. The incorporators of the Lost Hills Company were also the locators of the claims which eventually went to the Lost Hills Mining Company.

Prior to the time of the incorporation of the Lost Hills Mining Company there was some improvement or attempted development of these properties that were owned and afterwards were owned, rather, by the Lost Hills Mining Company. It was only after the contract with Barrett had lapsed, or was about to lapse, that our locators then organized the Lost Hills Mining Company. I think it was near the time that lapsed. Very shortly after or shortly before. I do not recall the dates.



(Testimony of W. B. Wallace.)

It is my impression that there was not any development work done on any of the locations, including the northeast quarter of 30, by the original locators thereof, prior to the time it passed into the hands of the Devil's Den Consolidated Oil Company, but I may be mistaken. My impression is that before we got the conveyance to the Devil's Den Consolidated Oil Company that we did not do any development work, but I am not clear on that. During this time, from January 1st, 1907, up until the conveyance of the northeast of 30 to the Devil's Den Consolidated Oil Company, Mr. O. D. Barton was the agent of the Devil's Den Consolidated Oil Company, in charge of the work. The question of the location of this property and other property was left by we locators entirely to Mr. Barton as our agent, and we subsequently ratified his acts and carried them out. Whatever Mr. Barton did do in that matter was entirely agreeable to us, except this; he only had authority from us to make locations for us individually. He never had authority to locate anything for the company. [913]

We accepted the locations made by Mr. Barton. I think I knew all of the locators of the Devil's Den location. Mr. Charles Togni was a stockholder in the Devil's Den Consolidated, also Mr. N. D. or Paul Switzer. I think Mr. E. C. Farnsworth was a stockholder in the Devil's Den Company; a lawyer of high standing and long experience; a very prominent lawyer, and has been for years.

Q. Referring now, Judge Wallace, to pages 130

[(Testimony of W. B. Wallace.)

and 132 of Volume 2 of the Minute Book of the Devil's Den Consolidated Oil Company, I will ask you if the record does not show that the Oakland Oil and Asphalt Company was on January 25, 1907, the owner of 28,000 shares of stock in the Devil's Den Consolidated Oil Company?

A. That company owned 28,000 shares close up to the time when we all sold out. We sold out separately, but I think it was the same year.

The WITNESS.—(Continuing.) I think the following list is correct: J. H. McKee owned 222 shares; T. J. Giddings, 550 shares; E. F. Weddle, 210 shares; Mrs. E. E. Giddings, 35 shares; A. D. Clark, 420 shares; M. T. Mills, 1,000 shares; G. M. Stelp, 525 shares; F. L. Powell, 210 shares; J. H. Fox, 420 shares; A. M. Johnson, 50 shares; Charles Weddle, 87 shares; D. A. McDermott, 675 shares; A. N. Bell, 50 shares; S. E. Bell, 70 shares; Clara A. Edminston, 50 shares; A. J. Heningsburger, 150 shares; D. L. Barney, 1791 shares; George Kelly, 420 shares; Mrs. A. A. Orr, 735 shares; and L. C. Hyde, 50 shares. I know most of those and know they were stockholders. I don't know the exact amount of stock they had at that time.

It might be that O. D. Barton owned about 724 shares of stock in the company; William Lindemann, 10,056 shares, about that; J. N. Hoyt, 1,402; A. R. Orr, 701 shares; W. B. Wallace, 1,001 shares; U. D. Switzer, 850 shares; A. J. Moates, 1,000 shares; Charles Togni, 1,820 shares; I. T. Bell, 1,895 shares; W. J. Bell, 993 shares; Joseph E. Ennis, [914]

(Testimony of W. B. Wallace.)

1 share, and R. Kuerzel, 1 share. Of course some of those names I don't know, but most of them are correct. I think that is correct. That is signed by the secretary.

I disposed of my shares in the Devil's Den Consolidated in 1911, in June or July, if I recollect right. At the time I disposed of my stock I don't think I made any guaranty as to the title to the property that was concerned. I don't recall whether or not the corporation furnished any abstract of title to our successor or purchaser of my stock. I don't know.

Q. Was Mr. Barton in the employ of the Devil's Den Consolidated Oil Company from January, 1907, on up until the 30th of May, 1907?

A. The books will show. I was present most all of the time, but there was one period, I think, that I was not present for a short time. But the books will undoubtedly show and no doubt they are correct.

Q. On page 136 of the minute-book we have referred to, I find this item under the date of January 26, 1907: "On motion duly made and carried it was ordered that the secretary draw a warrant in favor of O. D. Barton for \$600, same to apply on account." Do you know what that account was for?

Mr. REDDING.—(Objection.)

Mr. HALL.—It is offered to show that even prior to the time this location was made Barton was in the employ and the agent of the Devil's Den Consolidated Oil Company.

The COURT.—I believe that is conceded.

Mr. REDDING.—That is conceded. [915]



(Testimony of W. B. Wallace.)

Direct Examination (as to Lost Hills Case).

(By Mr. REDDING.)

The WITNESS.—I am the W. B. Wallace named in the location made on the 13th day of February, 1907, by O. D. Barton, J. N. Hoyt, H. J. Light, W. B. Wallace, W. F. Hall, J. W. McCord, J. H. Butts, and F. R. Hyde, a location covering the northwest quarter of Section 30, township 26 south, range 21 east, Mt. Diablo meridian.

I am the W. B. Wallace named in the location made on the 14th day of February, 1907, the locators being Adolph Levis, William Lindemann, R. C. Hardin, S. W. Hall, F. T. Hall, W. B. Wallace, and J. H. Butts, covering the southeast quarter of Section 30, township 26 south, range 21 east.

I am the W. B. Wallace named in the location on the 14th day of February, 1907, the locators being H. Widmer, J. H. Butts, J. W. McCord, J. N. Hoyt, J. Gillespie, A. R. Orr, H. J. Light, and W. B. Wallace, covering the northwest quarter of Section 32, in the same township and range.

I am the W. B. Wallace named in the location on the 14th of February, 1907, the locators being H. J. Hoyt, F. R. Hyde, L. M. Frederick, A. R. Orr, H. Widmer, C. A. Butts, Sarah McCord, W. B. Wallace, covering the northeast quarter of Section 32, the same township and range.

I am the W. B. Wallace named in the location of the 14th of February, the locators being W. B. Wallace, J. H. Butts, J. W. McCord, H. J. Hoyt, A. R. Orr, J. R. Hyde, John Anderson, and H. Widmer,

(Testimony of W. B. Wallace.)

covering the southwest quarter of Section 32, the same township and range.

That covers the five quarter sections which are involved in this action. I knew most all of these locators.

I have known the locator whose name is Charles W. Barrett for a long time. [916]

As I recollect, a power of attorney was given by all of the locators to five of us, and I was one of the five, immediately succeeding their entry upon these lands, to act in their behalf. Very largely on account of my standing, and being a lawyer, I was accepted as the legal representative and the manager of these locators, so far as any contracts or procedure with reference to that sort of things would be concerned. I did a great deal of the legal work gratuitously. We were not making any money but were trying to get on our feet, and I did much of it myself. I think a number of meetings of these locators in these five locations were held in my office. That was the principal place of business. They came to my office and discussed the methods of development of these lands with me. . . . We appointed Mr. O. D. Barton agent in the field.

Speaking of a period of time which ensued from the date of these locations and the entry upon these lands up to the time that these locations and locators were turned into a company, by consent of the locators they selected Mr. O. D. Barton as their representative in the field. I cannot recall just what time that arrangement was made, but I don't think

(Testimony of W. B. Wallace.)

it was long after February, 1907, being the time these locations and entries took place. I think the minutes will show accurately.

Mr. REDDING.—It will be necessary for me to read the affidavit of Charles W. Barrett. (Reads said affidavit.)

(Upon reading the affidavit of Charles W. Barrett on page 2, line 13, “subsequent to these locations, various locators, including myself, had several meetings, and particularly with Judge Wallace of Visalia and J. N. Hoyt and J. H. Butts, these gentlemen being a committee who were representing the other locators,” Mr. Redding interrupted his reading of the affidavit by a question to the witness:) [917]

Q. Is that correct?

A. My recollection is that there were five of us instead of three.

The WITNESS.—(Continuing.) The names mentioned are three of the five.

Mr. Redding continues the reading of the affidavit to the point where reference is made to a map of the Lost Hills and Devil’s Den oil fields, a copy of which map was introduced in evidence and marked Defendants’ Exhibit “A” in “A-52.”)

Mr. REDDING.—It is also useful and will be useful in A-57, and likewise in A-37. I would ask your Honor to look at that map in connection with the statements by the witness that I am proceeding to read in his affidavit. (Mr. Redding thereupon completes the reading of the said affidavit.)

The WITNESS.—(Continuing.) I recall the

(Testimony of W. B. Wallace.)

organization of the Lost Hills Mining Company. Mr. Barton had continued to act for the locators from the location and entry on the land up to the 13th of March, 1909, when the Lost Hills Mining Company was organized. The lost Hills Mining Company continued to have him represent the company in the field—the company succeeding the locators. I think he represented the company in the field up to the time we sold out, continuously. He may have been away a little while.

I became president of this company—I am not certain; anyway, I was a director. I recall Mr. Barton appearing before the directors during the spring of 1909 and after the organization of this company, and coming before me representing the locators, and making a report regarding the progress of Mr. Barrett's work under his contract. In the spring of 1909 we concluded that he (Mr. Barrett) was not financially able to fulfill his contract before his time expired. After the locators, or the successor corporation, the [918] Lost Hills Mining Company, came to that conclusion, we were constantly endeavoring to get someone else in line to take it up as soon as Mr. Barrett's time expired, and, as I recollect, we instructed Mr. Barton, and Mr. Barton interested other parties. He is the first one that got Dudley and Martin to go out into the field and to examine it. That was in the spring or early summer of that year, 1909.

John Martin and E. R. Dudley were in the real estate business and were carrying on several opera-

(Testimony of W. B. Wallace.)

tions along about this time, and they had some means and were willing finally to go down there and undertake to develop the land for an interest in it. I cannot state of my own knowledge just when it was that Martin and Dudley first visited the lands involved in this action. I know when they were considering the matter. That was in the early summer, I think. I never saw them on the land.

I think I recall a meeting of the board of directors held on July 2d, 1909.

Mr. REDDING.—I will read that portion of the minutes of the meeting of the board of directors of the Lost Hills Mining Company held on July 2d, 1909. It reads as follows: (Reading:) “The Board then upon motion of Mr. Wallace adopted the following resolution: ‘Resolved that the contract heretofore entered into by the predecessors in interest of this company with C. W. Barrett for the development of the lands now owned by this company in what is known as the Lost Hills in Kern County, and which contract was made in the year 1908, did, by the failure of said C. W. Barrett to comply with the provisions of such contract, terminate and end on July 2nd, 1909, and that said Barrett has no interest in any of said lands by virtue of said contract.’ ”

The WITNESS.—(Continuing.) I recall that resolution, and [919] I am the Mr. Wallace mentioned therein. It was soon after that that we got Dudley and Martin interested in the matter. They went down there several times, as I recollect the matter, at that time, remaining for a few weeks, and



(Testimony of W. B. Wallace.)

finally we entered into an agreement with them. It was in the summer of that year some time, that the terms of this agreement between the Lost Hills Mining Company and Dudley and Martin were agreed to before the agreement was signed up. I know that to be a fact by their appearing before the board of directors and taking it up with them and considering it, and we came to terms, I know, for quite a while before the form of the contract was prepared and signed.

I am quite sure I prepared the contract. One reason why the contract was not drawn up and signed immediately after the terms were agreed upon was I think because it took some time to consider it and get it in shape. The matter was left to me and I was very busy trying causes, and I think I was away then on summer vacation.

I have no personal knowledge of what Martin and Dudley did upon this property during the summer of 1909. I was not there at any time during that year. But I can recall and can testify that the terms of the contract under which they proceeded to drill upon the property were agreed upon, although not put in writing—they were agreed upon in the summer of 1909.

Cross-examination.

(By Mr. HALL.)

The WITNESS.—I think there was no written contract before this contract dated October 27, 1909. I think there was only one written contract, which was with Dudley and Martin. Mr. Barton was our

(Testimony of W. B. Wallace.)

agent at that time during all of the negotiations. Mr. Barton had an [920] office in Visalia and conferred with me and the other directors. Mr. Barton was the one who took Dudley and Martin out to the land, and he would probably know better than any of the rest what acts occurred on these lands prior to the time Dudley and Martin executed this contract on the 27th of October, 1909. I had no knowledge personally about what was going on.

Both the company and I knew along early in the year 1909 that Barrett was going to fall down on his contract. I don't think it was as early as January or February, 1909, that Mr. Barton reported, anticipating that Barrett was going to fall down in his contract. It might have been June. But I doubt very much if it was much earlier than that. Of course we were finally convinced on July 2d and actually terminated it, and from that on our company treated that contract as having been abrogated and that Barrett had no rights in it whatever. We thought during all that time that Barrett weakened. We had some doubt, but he was still making efforts to make financial arrangements, but it fell through. He was making an effort all the time through the spring months to borrow money or give it to someone else who would invest money. I don't now when his efforts to put lumber or improvements on the land ceased for the reason that I was not there and couldn't know. All that I know was Barrett's efforts to get money during the spring months and early summer months to go on

(Testimony of W. B. Wallace.)

with. But after our resolution of July 2d, 1909, our Board of Directors and the officers of our company considered that Barrett's rights in that contract had entirely ceased and the contract was abrogated. That he had no further right to the possession of this land, or to go on, and we passed that resolution terminating his rights. [921]

Mr. McWILLIAMS.—I now offer and read in evidence the affidavit of R. A. Morton, subscribed and sworn to the 21st day of July, 1916, before W. W. Healey, Notary Public of this City and County.

(Said affidavit is as follows:)

Mr. McWILLIAMS.—I will ask that the exhibit referred to be deemed to have been read in evidence. [922]

### **Affidavit of R. A. Morton.**

State of California,

City and County of San Francisco,—ss.

R. A. Morton, being first duly sworn, deposes and says:

I am the duly appointed secretary of the defendant above named, Devil's Den Consolidated Oil Company, a corporation.

Herewith attached to this affidavit, and made a part of the same, and marked Exhibit "A," is the duplicate original of the application of the Devil's Den Consolidated Oil Company, one of the above named defendants, dated March 30th, 1916, for an agreement under the Act of August 25th, 1914, covering and embracing the following described prop-



erty: NE.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M.,  
(embraced in Exhibit "A"),  
Kern County, Cal., said land being the land embraced  
in the above-entitled action.

Attached to said Exhibit "A" and made a part thereof, is a certified copy of the resolution of the Board of Directors of the Devil's Den Consolidated Oil Company, passed on the 30th day of March, 1916, authorizing the president and secretary to execute the said agreement for and on behalf of the Devil's Den Consolidated Oil Company; and also attached to said exhibit are all the other necessary and requisite papers, documents, etc., called for under the printed form approved by the Interior Department on November 21, 1914, with reference to applications for agreements under the Act of August 25, 1914 (Public 187), which said printed forms have been used by said company and by myself, as secretary thereof in said application.

I furthermore declare and state under oath, that pursuant to the said resolution of said company, and pursuant to the instruction set forth in said Exhibit "A," the said application was duly filed with the Register and Receiver of the Land Office [923] at Visalia, California, on or about the 8th day of April, 1916, and that thereupon the said applications were forthwith transmitted by special letter to the Commissioner of the General Land Office; that thereafter, and on or about the 23d day of April, 1916, the said Commissioner of the General Land Office did forward and deliver to the Honorable, the Secretary of the Interior, the within named applica-

tion, as embraced in Exhibit "A."

(Sgd.) R. A. MORTON.

Subscribed and sworn to before me this 21st day of July, 1916.

W. W. HEALEY,  
Notary Public in and for the City and County of San  
Francisco, State of California. [924]

### EXHIBIT "A."

Copy of Resolution of the Board of Directors of the Devil's Den Consolidated Oil Company passed at a meeting of the Board of Directors held on the 30th day of March, 1916, at the office of the Company, Crocker Building, San Francisco, California, duly convened and held.

"WHEREAS, this Company, Devil's Den Consolidated Oil Company, a corporation organized and existing under and by virtue of the laws of the State of California, is making application for leasing agreement under the Act of August 25th, 1914, with the Interior Department of the United States covering the following described property: NE.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

WHEREAS, it is necessary to have this Company represented by an Attorney-in-Fact when said application is presented to the Interior Department and the other Departments of the United States Government;

NOW, THEREFORE, upon motion duly moved, seconded and unanimously carried, be it

RESOLVED, that Joseph D. Redding, Attorney, Counsel for and Director in, this Company be and he

hereby, and by these presents is constituted and appointed the true and lawful Attorney for this Company and in the name, place and stead of this Company, Devil's Den Consolidated Oil Company, to represent this Company and to act on its behalf in presenting said application before the Interior Department and all other Departments of the Government of the United States, with full power and authority hereby given and vested in said Joseph D. Redding to sign and execute said agreement and application and all corrections and amendments thereto, which may be made by the said Interior Department and which shall meet the approval of said Attorney-in-Fact of this Company.

GIVING AND GRANTING UNTO the said Attorney of this Company, Devil's Den Consolidated Oil Company, full power and authority to do and to perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as this Company and its Board of Directors might or could do if it and they were personally present or were executing said application by the signatures of the President and Secretary and under the seal of said Company, hereby ratifying and confirming all that the said Attorney-in-Fact shall lawfully do or cause to be done by virtue of these presents.

I, R. A. MORTON, Secretary of DEVIL'S DEN CONSOLIDATED OIL COMPANY, a corporation created, organized and existing under the laws of the State of California, hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution

duly passed and adopted at a meeting of the Board of Directors of said corporation, duly convened and held at the office of the Company in the City and County of San Francisco, State of California, on the 29th day of March, 1916.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation this 30th day of March, 1916.

R. A. MORTON,  
Secretary Devil's Den Consolidated Oil Company.  
[925]

Approved by the Department  
November 21, 1914.

4—010

APPLICATION FOR AGREEMENT UNDER  
THE ACT OF AUGUST 25, 1914 (PUBLIC  
187).

San Francisco, California, March 30th, 1916.

The undersigned, DEVIL'S DEN CONSOLI-  
(Name of Applicant.)

DATED OIL COMPANY, hereby applies for an agreement or contract with the Secretary of the Interior for the disposition of oil and gas from the lands hereinafter described, as authorized under the act of Congress, approved August 25, 1914 (Public 187.) In support of said application this applicant respectfully represents as follows, which representations the said applicant hereby warrants to be true and correct.

1. That it is the identical person or corporation,  
(He or it.)

who under date of December 2d, 1911, filed in the local land office at Visalia, State of California, mineral application, serial number 03280 for the Consolidated Mining placer claim, embracing the Northeast One-quarter of Section 30, Township 26 South, Range 21 East, in the Visalia land district, State of California.

2. That the applicant desires the contract or agreement herein applied for to embrace the following described lands: The Northeast One-quarter of Section 30, Township 26 South, Range 21 East, being the Consolidated Mining Claim.

3. That oil or gas was discovered, or was being produced, upon the lands covered by this application on or before August 25, 1914, and drilling operations were in actual progress on October 3, 1910.

(Strike out whichever is not appropriate.)

4. That, so far as known to applicant, the following enumerated persons or corporations are the only ones claiming any right, title, or interest in and to said lands or any portion thereof, or to the oil or gas produced therefrom, and their respective interests are herein set forth.

Name.

Interest.

Devil's Den Consolidated Oil Company, holder of legal title, operator and applicant for patent.

(A fuller statement of interest may be attached if desired.)

5. That the number of wells being operated on the land covered by this application for an agreement or contract is Twelve and the approximate daily gross production of each well at the present



time is as follows: #1-85 Bls.; #2-53 Bls.; #3-41 Bls.; #4-51 Bls.; #5-73 Bls.; #6-225 Bls.; #7-128 Bls.; #8-19 Bls.; #9-182 Bls.; #10-211 Bls.; #11-20 Bls.; #13-22 Bls.

6. That contracts for the sale and purchase of the oil and gas products arising from the operations to be carried on under the agreement herein applied for, on the lands covered thereby, have been entered into with the following and no others: Universal Oil Company, a corporation organized under the laws of California. Duly authenticated copy of each of said contracts is hereto attached and made a part of this application.

7. That the portion of the gross proceeds arising from the sale of the oil and gas which is to be placed in escrow during the life of the contract or agreement herein applied for, will be deposited in the Crocker National Bank of S. F. There is hereto attached a statement by the Assistant Cashier of said

(Officer.)

bank which sets forth the rate of interest to be allowed on said escrow deposit and the method by which said interest is to be computed.

8. That there are hereto attached duly executed waivers by each and every one of the parties claiming an interest as specified in paragraph four, releasing the United States from any claim or demand whatsoever arising from the execution of this agreement by the Secretary of the Interior.

(Corporate seal if corporation be the applicant.)

DEVIL'S DEN CONSOLIDATED OIL  
COMPANY,

(Name of applicant.)

By GEO. T. CAMERON,

President.

By R. A. MORTON,

Secretary, San Francisco, California. [926]

(Address.)

GEORGE T. CAMERON, being first duly sworn, deposes and says he is the President of Devil's Den Consolidated Oil Company named in the foregoing application; that he has read the foregoing application and knows the contents thereof and that the facts therein stated are true according to the best of his knowledge, information, and belief.

GEORGE T. CAMERON.

Subscribed and sworn to before me this — day  
of ———

---

Notary Public.

INSTRUCTIONS.

1. This application can be made and the contract executed only by an applicant for mineral patent for oil or gas lands embraced in an order of withdrawal.

2. The application and the contract must be executed in triplicate and filed in the local land office in the district in which the lands are situated. One set only of the exhibits accompanying the application need be authenticated, but the others must be true copies.

3. In the option of the applicant, the application

and contract may cover all the land embraced in the application for patent or one or more legal subdivisions thereof.

4. The form of waiver provided for in section 8 of the application must be absolute and unconditional, and if by a corporation, proper evidence of authority for the execution of such instrument must be attached.

5. Immediately upon filing of the application and contract, properly executed, the Register and Receiver will assign to them the same serial number that the application for patent bears and will forthwith transmit them by special letter to the Commissioner of the General Land Office.

#### AGREEMENT.

Under Act of August 25, 1914 (Public No. 187), for  
Disposition of oil and gas products pending de-  
termination of proceedings for patent.

THIS AGREEMENT made and entered into by  
and between the Secretary of the Interior, acting for  
and in behalf of the United States, party of the first  
part, and Devil's Den Consolidated Oil Company  
hereinafter called the applicant, party of the second  
part:

WITNESSETH, That for and in consideration  
of the attached application and of the mutual cov-  
enants and agreements hereinafter provided, and the  
rights and privileges hereby granted, the parties  
hereto agree as follows:

1. That this agreement is made on the basis of  
the statements and representations made by the ap-  
plicant in the attached application, which statements



and representations the applicant warrants to be true and correct; it being further agreed that in case such statements and representations shall be found by the Secretary of the Interior to be untrue or incorrect in any material respect, such finding shall render this agreement subject to cancellation by said Secretary at his option and on notice to the party of the second part.

2. That commencing on the date of this agreement, and continuing for the period pending the determination by the Secretary of the Interior of the title to the land embraced in the attached application, or such other disposition of the same as may be authorized by law, under the rules, regulations, and practice of the land department of the United States, said applicant and all persons claiming by, through or under him, as indicated in the attached application, shall be authorized to work and operate in and upon said lands for the production of oil and gas therefrom, in the manner and on the terms and conditions herein provided and not otherwise.

3. That the applicant shall conduct all drilling, pumping, and other operations for the production, storage, and sale of the oil and gas products from said land in workmanlike manner in accordance with approved practices and methods of operation for the prevention of waste or damage to said lands, or to other lands, for oil and gas producing purposes; and to this end applicant agrees to comply promptly and at his own expense with all reasonable rules, regulations, and requirements of the said Secretary of the Interior, his duly authorized agents and repre-

sentatives for the prevention of damage and waste as aforesaid.

4. That all of the oil and gas products of a marketable character arising from the operations provided for in the last preceding paragraph shall be sold and disposed of in accordance with the contract or contracts for the sale and purchase of such products submitted with, and as a part of, the attached application, or such other contract or contracts as may hereafter be entered into with the approval of the Secretary of the Interior.

5. That one-eighth of the gross proceeds, arising from the sale of such oil and gas products, as provided in the preceding paragraph; shall be deposited by the purchaser or purchasers thereof, in the national bank designated in said application, to be held by said bank in escrow, as in this contract provided, such payments to be made monthly on or before the tenth day of each month for all oil and gas sold during the preceding month; the balance (seven-eighths of such gross proceeds) shall be paid to the party or parties entitled thereto; full and detailed statements of accounts of sales and purchases, as aforesaid, shall be made by said purchaser in triplicate, one to accompany the payment to said bank, one to the Chief of Field Division of the General Land Office in whose division said land is situated, and one to the party of the second part.

6. That said portion of the gross proceeds, to be deposited in said bank in escrow, as provided in the last preceding paragraph shall be subject to change by the Secretary of the Interior at any time on 30

days notice: *Provided*, That in case such portion shall be increased, it shall be optional with the second party to continue under this agreement; *Provided further*, That notice to discontinue operations hereunder shall be filed in the proper United States Land Office within 10 days after the receipt of notice of such increased amount to be deposited in escrow.

7. That all interest accruing on the portion of such gross proceeds, deposited in said bank in escrow as aforesaid, shall be added to the principal at regular intervals in accordance with the previous understanding with said bank as indicated in the attached application; that in case the land department of the United States shall finally determine that under the law, rules, and regulations controlling the granting of patents to mineral lands, said second party is entitled to a patent to the land and premises described and applied for in said mineral application, and embraced by this contract, then and in that case, on the issuance of said patent the Secretary of the Interior shall so certify to said bank, whereupon said bank shall be authorized and deemed instructed by the parties hereto, to pay over all moneys deposited therein under the terms hereof, with accumulated interest, to the second party; but in case the land department of the United States shall finally determine, in accordance with the law, its rules, regulations and practice, that the second party is not entitled to rent for the lands and premises embraced in this agreement, and same shall be finally rejected, *then* on receipt of the certificate of the Secretary of the Interior to that effect, said bank shall be author-

ized, and it shall be deemed to be instructed by the parties hereto, to pay over all of said payments and accrued interest to the Treasurer of the United States, whereupon all and every claim, right, title, or interest in said funds and accumulated interest, either on the part of the second party or any person claiming by, through or under him, shall cease and terminate; in either of the cases above described, operations under this contract shall cease and terminate on the issuance of the certificate of the Secretary of the Interior as aforesaid; but in case this contract shall, under any of the provisions hereof, be canceled prior to the final determination of the matter of said application for patent, any moneys theretofore deposited in escrow shall nevertheless remain so deposited until said application for patent shall be finally approved or rejected.

8. That in case a portion of the land embraced in this agreement shall be finally patented to applicant, and patent shall be denied for the remainder thereof, then such escrow deposits and accumulated interest hereinabove provided for shall be paid to the applicant and to the Treasurer of the United States in such proportion as the area patented shall bear to the area for which patent shall be denied, as shown to said bank by the certificate of the Secretary of the Interior.

9. That the said purchaser of the oil and gas products and the said bank shall be furnished with copies hereof by the party of the first part, and same shall be deemed and constitute joint instructions to them respectively in so far as applicable.



10. That all the workings, operations, premises, equipment, books, and records of the second party, or any person claiming by, through, or under him, pertaining to, or included in, the subject matter of this agreement, shall, at all times, be subject to inspection by the authorized representatives of the Department of the Interior, and such books, records, and accounts shall be kept and such reports made as the first party by the Secretary of the Interior or his authorized representatives shall, from time to time, direct.

11. Such deposits in escrow, when paid over to the Treasurer of the United States as herein provided, shall be and constitutes full and complete payment, accord, and satisfaction of all claims of the United States for trespass for any and all oil and gas removed from said premises during the period of, and under and subject to, this agreement, as against the applicant, producer or purchaser of such oil or gas products, who shall have in good faith and without collusion done and performed each and every act herein required to be performed by him or it, strictly in accordance with this agreement, even though said application for patent shall be denied.

12. That this contract shall be binding on the heirs, assigns, and legal representatives of the second party hereto.

13. That in no case and under no circumstances or conditions shall the United States become liable to any person whatsoever under or by reason of this contract, or any of its provisions.

14. That failure or default on the part of the



second party to comply strictly with the terms hereof shall render this contract subject to cancellation by the Secretary of the Interior at his option immediately on notice of such cancellation to the second party, and the decision of the said Secretary shall be final on the question of the existence of such failure or default.

15. That no Member of or Delegate to Congress, or Resident Commissioner, or officer or employee of the Department of the Interior, is or shall be admitted to any share or part in this agreement, or derive any benefit which may arise therefrom, and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States, approved March 4, 1909 (35 Stat., 1109), relating to contracts, enter into and form a part of this agreement, so far as the same may be applicable.

IN WITNESS WHEREOF, the said parties hereto have caused the execution of these presents by themselves or by their duly authorized officers, agents, or representatives, as of the 30th day, of March, 1916.

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Secretary of the Interior.

DEVIL'S DEN CONSOLIDATED OIL  
COMPANY.

By GEO. T. CAMERON,  
President.

[Seal]

By R. A. MORTON,  
Secretary.

KNOW ALL MEN BY THESE PRESENTS:

That the Devil's Den Consolidated Oil Company, a corporation duly organized and existing under the laws of the State of California hereby releases the United States of and from any claim or demand whatsoever arising from the execution by the Secretary of the Interior of the Agreement (to which this waiver is attached) with the Devil's Den Consolidated Oil Company for the disposition of oil and gas produced on and from the northeast one-quarter of Section thirty (30), township 26 south, range 21 east, Mount Diablo Base and Meridian, Kern County, California.

In Witness Whereof, the said Devil's Den Consolidated Oil Company has caused its corporate name to be hereunto subscribed by its president and its corporate seal hereto affixed by its secretary pursuant to a resolution duly adopted by the Board of Directors of said corporation.

Dated this 30th day of March, 1916.

DEVIL'S DEN CONSOLIDATED OIL  
COMPANY.

By GEO. T. CAMERON,  
President.

[Seal]

By R. A. MORTON,  
Secretary. [927]

RESOLVED, That the President and Secretary of DEVIL'S DEN CONSOLIDATED OIL COMPANY be and they are hereby authorized and directed to execute in the name of this corporation and under its corporate seal and as its corporate act and deed application for agreement under the Act of

August 25th, 1914, (Public 187), together with the Agreement thereto attached for the disposition of oil and gas products pending the determination of application for patent, and also a waiver releasing the United States from any claim or demand whatsoever arising from the execution of said agreement for the disposition of oil and gas, a copy of which said application, Agreement and Waiver are hereto attached and hereby made a part of this resolution.

I, R. A. Morton, as Secretary of Devil's Den Consolidated Oil Company, a corporation, duly organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution of said corporation at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 30th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California.

IN WITNESS WHEREOF, on the 30th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

[Corporate Seal]

R. A. MORTON,  
Secretary. [928]

Wm. H. Crocker, President.  
C. E. Green, Vice-President.  
Jas. J. Fagan, Vice-President.  
W. Gregg, Jr., Cashier.  
J. B. McCargar, Asst. Cashier.  
G. W. Ebner, Asst. Cashier.  
B. D. Dean, Asst. Cashier.  
J. M. Masten, Asst. Cashier.

United States Depositary.

Cable Address: Crockwool

John Clausen,  
Manager Foreign Department.

THE CROCKER NATIONAL BANK.  
OF SAN FRANCISCO.

March 30th, 1916.

Hon. Secretary of the Interior,  
Devil's Den Consolidated Oil Company,  
San Francisco, California.

Gentlemen:

The Crocker National Bank of San Francisco will allow interest at the rate of two per cent per annum on average daily balance computed and added monthly on all sums deposited in escrow under the attached agreement.

THE CROCKER NATIONAL BANK OF  
SAN FRANCISCO,

By J. B. McCARGAR,  
Assistant Cashier. [929]

Mr. DUNNE.—If your Honor please, we also offer in evidence “Mineral Resources of the United States, 1914, Part Two, of the United States Geological Survey,” pages 261 to 270, inclusive, entitled “Gypsum.” It is a Government publication.

Mr. DUNNE.—I offer in evidence for your instruction and knowledge a copy of a diagram which appears at page 262, which is one of the pages just admitted in evidence. This is for your Honor's

convenience. It is a graphic representation of the production of crude gypsum and the value of the output and of the imports of crude and calcined gypsum from 1880 to 1914, reproduced from the diagram on page 252, Volume Two, "Mineral Resources of the United States," for 1914, United States Geological Survey.

That is offered in all three cases.

It is hereby stipulated by and between counsel for the respective parties in this cause, that the publication entitled "Mineral Resources of the United States," for 1914, United States Geological Survey, and the diagram on page 252, Volume Two thereof, need not be extended in the record, but that counsel for either party in their briefs or upon final argument, may read from and cite the court to such portions of said publication as they may desire.

FRANK HALL,

Special Assistant to the Attorney General, Solicitor  
for the Plaintiff.

JOSEPH D. REDDING,

Solicitor for the Defendants. [930]

Mr. McWILLIAMS.—I now offer and read in evidence the affidavit of Samuel F. B. Morse, subscribed and sworn to on the 25th day of August, 1916, before R. B. Treat, Notary Public in and for the City and County of San Francisco.

(Reads said affidavit, which is as follows:) [931]



**Affidavit of Samuel F. B. Morse.**

State of California,

City and County of San Francisco,—ss.

Samuel F. B. Morse, being first duly sworn, deposes and says:

I am now, and for approximately six (6) years past have been, the manager of the Crocker-Huffman Land & Water Company, a corporation, engaged in the development and sale of farm lands in Merced County, California. This corporation, with its affiliated companies, owns approximately sixty thousand (60,000) acres of land.

That by reason of my duties as manager of said corporation and its subsidiaries, I have become familiar with the quality and productivity of farm lands in that and adjacent counties in California; that in addition to my experience derived as aforesaid, I was engaged in farming in Kern County for a period of three (3) years prior to my taking up the position as manager of said corporation; I have frequently acted as appraiser of farm lands, for various organizations engaged in the loaning of money.

I have been on, and am familiar with the northeast quarter of Section thirty (30), township twenty-six (26) south, range twenty-one (21) east, M. D. B. & M., and am of the opinion that said tract has very little, if any, value for agricultural purposes. I base my opinion principally upon the fact that the soil of said tract of land is naturally inferior and that it would be impracticable to secure an

adequate supply of water for purposes of irrigation.

(Signed) SAMUEL F. B. MORSE.

Subscribed and sworn to before me this 25th day  
of August, 1916.

[Seal] (Signed) R. B. TREAT,

Notary Public in and for the City and County of  
San Francisco, State of California. [932]

Mr. REDDING.—I will now read the contract marked Exhibit "A" and attached to the affidavit of Charles W. Barrett, namely, the affidavit sworn to as of the 22nd of June, 1916. This contract was recorded and this is a correct copy. I furnished counsel for the Government with a copy. (Reads said contract.)

The contract above referred to marked Defendants' Exhibit "A," is attached to the Stipulation, Exhibit "A" in case "A-52" and "A-57," and marked Exhibit "Q" therein.) [933]

San Francisco, California, August 28, 1916.

10 o'clock A. M.

Mr. Redding offered in evidence as an affidavit the verified answer of the defendant Lost Hills Mining Company and Universal Oil Company in A-52, and proceeded to read the same in evidence. Before finishing the reading of said verified answer as an affidavit, Mr. Redding discontinued the reading for the purpose of continuing the examination of some witnesses who were present in court from out of town.

**Testimony of W. O. Todde, for Defendants.**

W. O. TODDE, produced as a witness on behalf of the defendants, being first duly sworn, testified as follows:

Direct Examination.

(By Mr. DUNNE.)

The WITNESS.—I am general superintendent of the Standard Oil Company of all of their producing properties in the San Joaquin Valley. I have been in the oil business since 1900. All the properties owned by the producing department in the Coalinga field, the Lost Hills district, the Midway district and Kern River, come under my jurisdiction as general superintendent of the northern division of the Standard Oil Company. Before I became general superintendent, I was division superintendent in the Lost Hills district. Our property was in the immediate vicinity of the Lost Hills property.

I know the property of the Vulcan Oil Company. At the present time we own it, having acquired it from the Vulcan Oil Company. At the time we acquired it, that company, in connection with the Lost Hills Company and the Devil's Den Company, was under the management of Mr. Roy Bishop.

The Vulcan Oil Company property is situated in Section 5, [934] near the center, composed of 101 acres. Section 5 adjoins Section 32 on the south. so that, in relation to the location of the Lost Hills and Devil's Den property involved in this suit, Section 32, Section 30 and Section 5 would approxi-

(Testimony of W. O. Todde.)

mately be a sort of a physical line, not an exact straight line.

The diagram which Mr. Redding has made on the board indicates the juxtaposition of Sections 30 and 32 and 5, and the Vulcan property was upon 5.

The conditions of operation in respect to the Vulcan Oil property on Section 5 at the time that we acquired it were the same as obtained upon Section 30 and Section 32, also under the management of Mr. Bishop.

Upon taking over the Vulcan Oil property under the Standard Oil management, we did not make any changes in the conditions of operation as Mr. Bishop had developed them. To describe briefly the conditions of operation in the Vulcan Oil property and the Lost Hills property and the Devil's Den under which the wells were pumped and the oil handled. At those wells they have what we call a settling or receiving tank into which the oil is pumped from the wells. Also on top of the tanks we have a water-sealed top. The oil is pumped into these tanks and from there it is run into the shipping tank, and is probably gauged in these tanks, and then run into the shipping tanks. The object of the water-seal tops is to keep the gravity of the oil high and less evaporation by the sun.

In Sections 30 and 32 and the wells in 5, the insulation of the steam pipes was done in a very workmanlike manner. The method of insulation was to put the steam pipes in wooden cages.

With respect to the number of men employed in

(Testimony of W. O. Todde.)

the Lost Hills property and the Devil's Den property and the Vulcan property, the minimum amount of men were employed to do the work properly. [935]

Speaking generally, and from my experience as an oil operator, I should say the management of the Lost Hills property and the Devil's Den property is very efficient. In fact it is above the average. The superintendent is a man of ability; in fact, one of the best in the business.

Q. Without making any invidious comparisons between the Standard Oil Company and the companies under Mr. Bishop's management, putting the Standard Oil Company to one side, so far as other oil companies in California are concerned and their management, how will the management of the Lost Hills property and the Devil's Den property under Mr. Bishop and under the present management compare in point of efficiency with other oil companies that you know of in California?

A. Considerably above the average.

Cross-examination.

(By Mr. HALL.)

The WITNESS.—I am acquainted with Mr. McLaine. I knew the property under Mr. McLaine's management. The conditions were altogether different under the management of Mr. McLaine as compared with the management under Mr. Bishop.

Mr. Bishop installed a different accounting system that I know of, and there were probably some things that I don't know of, in the way of improvement on the property that Mr. McLaine did not have. But I



(Testimony of W. O. Todde.)

know, also, of these water-sealed tanks. The Standard Oil Company had not been using those sealed-top tanks before that time that I know of. I had never seen them used before by anyone in the field. I never saw any other company use them before. They were never used by anybody else in the field prior [936] to that time to my knowledge.

Mr. Bishop also changed the accounting system. By that, he was able to cut down the force to some extent, and also the executive force—the office force and the executive force. The accounting system of Mr. Bishop was different from others; he shows some things that others do not.

Q. Is it radically different from the Standard Oil Company's accounting system?

A. I could not say as to the Standard Oil Company's accounting system.

Q. You don't know anything about the Standard Oil Company's system?

A. I would rather not say anything about their accounting system one way or the other.

Q. Why not?

A. Because that is their business.

The WITNESS.—(Continuing.) To a certain extent I know something about the Standard accounting system, but not very deep. I think it is just as efficient as Mr. Bishop's. I don't know how long the Standard Company has had this accounting system. It has been changed probably from time to time.

Q. You don't mean to say that there was anything so inherently difficult in this accounting system that

(Testimony of W. O. Todde.)

there was some new innovation in producing and marketing?

A. I wouldn't say that. He was able to limit the office force and also keep a very close check on his operating expense.

It was not so complicated but what any bookkeeper of any ability would be able to understand it. It is a fact that the real value of the accounting system of Mr. Bishop depends largely on the efficiency and carefulness of the men actually on the ground [937] operating the wells, which is true of any accounting system. If it is not properly handled the result will be wrong. If men falsely represent anything, he would be able to check the false entry at the end of the month when he gets his runs from the pipe-line. Myself or any other superintendent would be able to check the runs against it. There is nothing so difficult or complicated about that that I know of.

It is not a fact that they use in that field a gas-trap largely to keep up and maintain the gravity of the oil. The Standard Oil Company does not use gas-traps in that field. They have not one in that field. They do in some fields.

We use the water-sealed tanks down on the Vulcan property for maintaining the gravity of the oil. It is not a fact that the gravity of the oil is maintained largely by some process by which the oil is kept and the gas is kept in a quiet state rather than by any degree of temperature or anything of that kind.

Q. The gas as it comes from the earth is intermingled with the oil, isn't it, something like carbon-

(Testimony of W. O. Todde.)

ated water or a bottle of champagne? The gas is contained and suspended in the liquid.

A. You are thinking of a flowing well. These are pumped wells. The gas from a pumping well is almost always saved in the casing-head. There is very little gas that comes out with the oil.

In some instances in the pumping of wells they attach a gas-trap and keep the gas and the pressure as much as possible within the oil. Some wells have to be handled differently from others. I have not examined each well separately on the Lost Hills and Devil's Den property to see whether or not a gas-trap method is feasible, but judging from my experience that we had with our wells in that district, I don't think a gas-trap would be of any great value. [938]

Q. You think this method of allowing the oil and water together to pour from the pipe into a tank and allowing the oil to fall down into the tank would not remove some of the gas?

A. These are pumping wells and there is very little gas that comes with the oil. There is a little, but very little that comes with the oil. Most of the gas is taken from the casing-head.

The WITNESS.—(Continuing.) The retention of the gas in the liquid raises its specific gravity and the grade of the oil, and care is used to keep the gas with the oil.

Q. And that raises the value of it. Now, when this gas and oil is pumped out of the well and pumped into a tank and allowed to drop and run down in the tank, does not the falling of the oil out of the pipe and

(Testimony of W. O. Todde.)

striking the oil in the tank have a tendency to drive the gas out of it?

A. I just told you that in pumping wells very little gas comes with the oil. Most of the gas comes from the casing-head.

Q. Then dropping it into a tank, you don't save any gas?

A. Certainly; out of the casing-head.

Q. But, after it has passed the casing-head and passed through this pipe and over into this tank, is not there a chance for that gas to escape by simply allowing it to dribble and drop out of that pipe?

A. To a certain extent, but there is not much gas there.

Q. Not much left when it gets into the tank?

A. I told you that it does come through the tubing in pumping wells.

Q. According to Mr. Bishop's system, when it gets into this tank, or ready to get into the tank, there is not much gas to save and conserve, is there?

A. Not a great deal of gas in this heavy stuff. But in the light oil—

Q. Eliminate the light oil.

A. It is all light oil. [939]

Q. I thought it was heavy oil. So when it gets over there, there is not much gas to save?

A. No. Whatever gas there is to save in those wells ought to be saved at the casing-head. That would be the economical way to save that gas. No anchor or retarder or trap of any sort would hold the gas in the oil at the casing-head.

(Testimony of W. O. Todde.)

Q. Cannot hold it at all?

A. If you put a pressure on the well your wells won't pump so much.

Q. So that there is no way to save that gas in the oil at the casing-head, of any other way?

A. Yes. You can save the gas.

Q. I mean to keep it in the oil itself and thereby raise the gravity of the oil?

A. You can't keep it all in the oil, no.

Q. But would not the tendency of allowing the oil to flow out of an open pipe cause the gas to separate out from the oil just the same as you would by pouring a bottle of carbonated water out into a glass? Doesn't it have a tendency to drive the carbonated gas from the water?      A. Yes.

Q. And allowing the oil to flow into the tank that way and to run down and have some fall before it strikes the surface of the oil, it would have a tendency to remove the gas?      A. Yes.

The properties of the Standard Oil Company are composed of four districts. There have been several different properties handled under one head. Off-hand, I couldn't tell you how many producing wells I have under my management. [940]

Q. Approximately?

A. That is something that pertains to the Standard Oil Company's business.

Q. Have you five or fifty?

A. Either five or fifty?

Q. Yes.      A. Neither one.

Q. Have you as many as fifty?      A. Yes.



(Testimony of W. O. Todde.)

Q. Have you as many as a hundred?

A. I refuse to go any further.

Mr. HALL.—We ask your Honor to instruct the witness to answer.

The COURT.—He can state in a general way. He needn't tell it exactly.

A. I would have to stop and think.

Q. Mr. HALL.—I just want it approximately.

A. Approximately three hundred wells.

The WITNESS.—(Continuing.) I devote my entire time to the business of those three hundred wells. I have no other occupation to occupy my time.

Q. Do you know of any other superintendent (than Mr. Bishop) in the field who is getting a thousand dollars a month for operating thirty-five wells?

A. Very few men know what the different superintendents get.

Q. Do you know of any superintendents who are getting a thousand dollars a month?

A. I don't know of Mr. Bishop getting a thousand dollars [941] a month.

I couldn't give you the amount of development work that had been done on the Lost Hills and Devil's Den property when Mr. Bishop took charge of it as to the number of wells. It would be approximate.

Q. That is all I want.

A. Do you mean to include the Wildcat holes, too?

Q. I mean all wells that were drilled.

A. Whether dry or producing holes?

Mr. Bishop and I have brought in producing wells since he arrived there on the lands involved in this

(Testimony of W. O. Todde.)

suit. Another way of answering that is, in the Lost Hills district, in all of this land involved, there are two sands; one, an upper sand, and the other a lower. There have been instances where the wells were drilled down to the second sand and brought in. Do you mean to include those as having been drilled there?

Q. Tell me first how many he drilled from the top of the ground down.

A. I confined myself to the Devil's Den Consolidated and 32.

Q. The north half of 30, the southeast quarter of 30, the north half of 32, and the southwest quarter of 32. How many wells did Mr. Bishop drill down from the top?

Mr. REDDING.—I don't think you have quite stated that correctly. It is the northwest of 30 and the southeast of 30.

Mr. HALL.—I intended to include it all.

A. If you put it that way, I don't think that I recall but about three that he drilled the whole way.

I would say that he deepened about five or six from the first oil sand to the second oil sand. But those figures are only [942] approximate.

We found a little water down on the Vulcan property. We did not shut it off. We have not tried to shut it off in any of the wells. Some of the wells give more water than others, ranging ten or fifteen per cent.

To a certain extent I am familiar with the market prices of oil in the State of California. I know about

(Testimony of W. O. Todde.)

the gravity of the oil coming from Lost Hills and Devil's Den. It is not the same in all the places. Part of the field is heavier. The Devil's Den is heavier. I think the gravity of the Devil's Den is around 18; from 18 to 20. I am not absolutely sure, The wells vary.

I think the present market price of 18 gravity oil is 63 cents, quoted by the Standard, and I believe that is usually taken for the market price.

I think the gravity of the oil of the Lost Hills on Section 32 will average between 28 and 32. I couldn't state that value. It is higher than 63 cents. I don't think they add 5 cents a barrel for each point above 20. Right now I couldn't figure out the present price of that 28 or 30 gravity oil. I can do it by going to the hotel. I have a scale there to figure it out by, but I have not looked it over. Probably Mr. Bishop can tell you about it. I can't do it right off-hand.

The pioneer work had been done on this Devil's Den and Lost Hills property when Mr. Bishop arrived there.

Q. All he had to do was to take a developed field and put it on an operating basis.

A. I don't know whether that is all he did or not. I couldn't say. [943]

**Testimony of Roy A. Bishop, for Defendants  
(Recalled).**

ROY A. BISHOP, recalled.

Direct Examination.

(By Mr. DUNNE.)

The WITNESS.—This is Section 32 (indicating on diagram). This quarter-section is on our patented land—the southeast quarter. Since the Vulcan has passed over to the Standard Oil Company, the properties under my management, patented and unpatented, in the Lost Hills field, are the properties indicated on this map, and Section 18.

The COURT.—There are no operated well on 18?

A. There is one well on 18 that is not operating at present. The well has been tested and put into perfect condition, and we operate that well about once a year just to test it and see the condition of the well. But we have not pumped it commercially.

Mr. DUNNE.—What do you mean by operating that well once a year? To what extent do you pump it every year?

A. Once or twice a year or periodically we pump the well for about a week to get a test. We have no pipe from that well to a company to whom we could sell the oil, so we have been collecting it at the tank and using it for road oil.

The WITNESS.—(Continuing.) It would not be economic to pump a single well located where it is more extensively, and run one boiler to operate a well like that.

(Testimony of Roy A. Bishop.)

Q. What is the object of pumping that well once or twice a year for as much as a week at a time?

A. When I took over the property we tested the well as to its condition as to water, and we pumped it periodically to see that it is in good condition.

(By the COURT.) Q. How many producing wells on patented land?

A. I will have to refer to the map to give it exactly. [944] This map is a map which shows the oil land on Section 32. This is the patented land. There are seventeen wells there.

The WITNESS.—(Continuing.) In saying that this is patented land, I refer to the southeast quarter of Section 32. There are seventeen wells in that patented land.

(By the COURT.) Q. Now, can you tell me approximately the out put of these seventeen wells? It has been in evidence that the output of the rest of the property is about from twenty to twenty-five thousand barrels a month.

Mr. DUNNE.—As directed to the Lost Hills property.

The COURT.—Yes.

Mr. REDDING.—Mr. Morton, I think, says it was about twenty-three thousand barrels. There may be an error of a thousand barrels, but it is in the testimony. In the southeast in the patented lands.

The COURT.—That is near enough.

A. The production of the southeast quarter of Section 32 is the highest gravity oil that we have on the property.



(Testimony of Roy A. Bishop.)

Q. (By Mr. REDDING.) On all the property?

A. Yes. The gravity of the oil is higher on the southern end of the field than in the northern. That decreases almost in a straight line from the southern to the northern end of the field. So that the wells that are on the south, we feel very fortunate about, inasmuch as it is on patented land and contains our best oil.

Q. (By Mr. DUNNE.) By the way, the Devil's Den and Lost Hills, the unpatented property and the patented property are being operated as an administrative unit and have been by you?

A. Yes; as a unit. And on the Devil's Den we prorate certain salaries and charge them certain proportions of the work of the men so as to reduce the expenses in operating both properties. [945] That is to say, instead of having a machinist for a single property, the machinist's time is distributed to each property in proportion to the amount of work that he does at each. And so with all the employees, including the automobile drivers of the trucks.

Q. Assuming hypothetically that the patented land, the southeast quarter of Section 32, were divorced from the administrative operation of the properties as they are now administered: To put it concretely, suppose that you were ousted from your property and your business, and a receiver were put in there. I want you to explain, if you will, what the effect would be of severance upon the handling of the oil. Will you explain that to his Honor?

A. Do I understand that I am given charge only

(Testimony of Roy A. Bishop.)

of the patented portion and that the Government would have the other portion to do as they wished with?

Q. Precisely.

A. And the material and machinery on the other portion?

Q. Yes.

A. I have three maps, one showing the oil line—  
The COURT.—Q. You mean the pipe-line?

A. Yes; the oil pipe-line in the field which is the gathering system,—a system that we have have for collecting that oil from the various wells and taking it down to the shipping plant which is on the south-west of Section 32. This shipping plant contains all of the machinery and tankage for pumping the oil or mixing the oils together and extracting the water therefrom and pumping them to the company to whom we have sold them.

The COURT.—Q. Do I understand from that that you gather the oil from these different producing wells and transport it to one particular point?

A. Yes, sir. [946]

Q. And there you deliver it to the market?

A. There we treat the oil, if there is any water in it, and take the water out, because we have to have only a certain per cent of water, and we mix the oil together and pump it. At that plant we have a compressor plant. There is a central boiler plant which furnishes the power to compress the air and so forth.

Q. You spoke of mixing and treating the oil. You

(Testimony of Roy A. Bishop.)

have spoken about the gravity of the oil. Some oil appears to be of 18 gravity and some a higher degree of gravity. It has been suggested here that the price of oil is affected to the extent of five cents per point above a certain limit. Now, bearing those considerations in mind, will you explain the treatment of the oil in that tank from the unpatented land and the effect of that treatment upon the question of gravity and upon the question of price, in the unitary administration of these properties?

A. In order to describe that, I would like to explain the collecting system of the oil so that it will be more thoroughly understood. We have coming down to this mixing plant—

The COURT.—That map represents the entire oil field?

A. It represents only Section 32. Section 30 would be up here.

The COURT.—Have you a map representing the entire field?

A. Yes, but not showing the pipe on the entire field.

Q. (By Mr. REDDING.) The piping system comes down in the same way—

A. I would like to explain that this line here runs up to the Devil's Den and to Section 30 of the Universal Oil Company.

The COURT.—Would you mind marking that in some way?

A. The line which I have marked red on this map and marked "D.D." is the collecting system of the

(Testimony of Roy A. Bishop.)

Devil's Den Oil and of the Universal Oil upon Section 30. [947]

Q. Do you mean that it is a pipe-line?

A. It is a pipe-line that we use to gather the oil from the Devil's Den and from Section 30 and pump it to this line into one of the other of the tanks at the shipping plant. This line is known as the Universal—

The COURT.—Is the Universal an operating company?

A. Yes, sir.

Mr. HALL.—I understand the Universal owns all of the stock of the Devil's Den and Lost Hills.

A. No, sir. That is not correct. That is part of the testimony, but that is not correct. This center line is a three-inch pipe-line—

Q. (By Mr. DUNNE.) Will you mark that by some letter?

A. I have marked that with a blue lead pencil and marked it "U Heavy." That indicates that the line is used for collecting the heavy gravity oils in the field. The line which I have marked "U Light" is a pipe-line running from the field and collecting the oil of lighter gravity and delivering the oil to our central tankage at what is known as the shipping plant. I put this system of piping in as collecting from the fields and divided it into three units, and also placed a system of valves in these lines so that oil from any pipe-line may be delivered into any tank. The object in doing that is that in gathering the light oil it is taken down to the shipping plant

(Testimony of Roy A. Bishop.)

and placed into one of these two tanks indicated. These two tanks are water-sealed. They are larger tanks and water-sealed. This is a large shipping tank which holds 55,000 barrels. We take the heavy oil and put it over into this tank until we have a certain amount, and then we test it for its gravity, and then mix the lighter oils which we have saved from these tanks into the heavier tanks. The object is to raise all [948] the oil that we can to what is known as 25 degrees gravity. I have not made that very clear to your Honor. The oils which we get through the heavy pipe-line are the 18, 19 to 23 gravity.

Q. Taken from what point?

A. From the Devil's Den, on Section 30. The oils that we obtain through the Universal heavy line is under 25 and will probably run about 22 degrees. The oil which we collect in this light line will run probably between 28 and 30.

Q. What is the point of origin of that oil as to originating on patented or unpatented land?

A. That oil which I have mentioned as being 28 to 30 comes from the patented land.

Q. What is the significance of conducting that 28 or 30 degree oil originating in patented land to the common shipping point and there treating it with oil of lower gravity?

A. That is for the reason that the Universal Oil Company and the Devil's Den Oil Company have a contract that pays them for 25 degrees gravity a certain price, for 22 gravity a certain price, and for 18



(Testimony of Roy A. Bishop.)

and lower a certain price. For the lower gravities naturally the lower price. So as we receive nothing for oil over 25 degrees gravity, it would be wasteful for us to take oil that was 30 degrees gravity and sell it to the oil company and waste those 5 degrees in gravity. If I have a hundred barrels of oil that is 30 degrees gravity which I obtained from this section of patented land, and I have from our land on 30 of unpatented land a hundred barrels of oil that runs 20, I can so mix those oils that I will raise the lower gravity oil to 25 degrees and I would lower the 30 gravity to 25 degrees, and that would enable me to make, in our case, about 15 cents a barrel on the lower gravity oil from the unpatented land without losing anything from the oil on the patented [949] land. And by this system it is a saving of this money. In mixing the oil this way it made a difference to us in selling the same identical oil properly mixed of \$5,000. That is to say, we received \$5,000 more a month for the oil mixed in that way, using the light oil which we obtained from the patented lands to mix with the heavy oil which is on our unpatented land. Does that explain it as you wish it?

Q. Yes. Now, Mr. Bishop, what would be the effect of the severance of that patented land from the unpatented lands in the matter of operation, so far as oil is concerned? What would a disturbance of the *status quo* result in from that point of view?

A. As this land is involved in a contract, even though separated from the other land, we would be

(Testimony of Roy A. Bishop.)

compelled to sell the 30 gravity oil to the purchasing company for the same price as we would obtain were it 25 degrees. That is to say, we get nothing from the company to whom we sell for the 5 degrees gravity which we use to raise the gravity of the oil from the unpatented land. So that the purchasing company, either the Standard or Associated would obtain all the advantage. I might add that the total oil sold from the property would not bring the same amount, probably, as if they were mixed.

The WITNESS.—(Continuing.) We have no shipping tanks and treating tanks on the patented lands at present.

Q. They are on the unpatented lands?

A. On the central pumping works here.

Q. In disposing of your oil on the patented land you would be required to spend money for facilities. Would there be duplication, in other words, of economies or facilities?

A. I never figured out the expense of unscrambling these properties. It would be large and confusing and would require a [950] great deal of thought. You will note that on this line on our patented land we have some oil that we consider not light enough to run down our light oils lines, so we run that oil up and down the line through unpatented land. That is a little heavier oil. Naturally it would mean a reconstruction of the light oil collecting system. It would also mean reconstructing the system of the Government. This well is going into what is my line, I would say, or the patented land. These other

(Testimony of Roy A. Bishop.)

lines are flowing across the line. This imaginary line. That would make me reconstruct our gathering system, and both the Government and ourselves would be put to that expense.

Q. Now, Mr. Bishop, what would be the effect of disturbing the *status quo* in respect to the matter of gas?

A. May I have the other map of the gas line? Here it is.

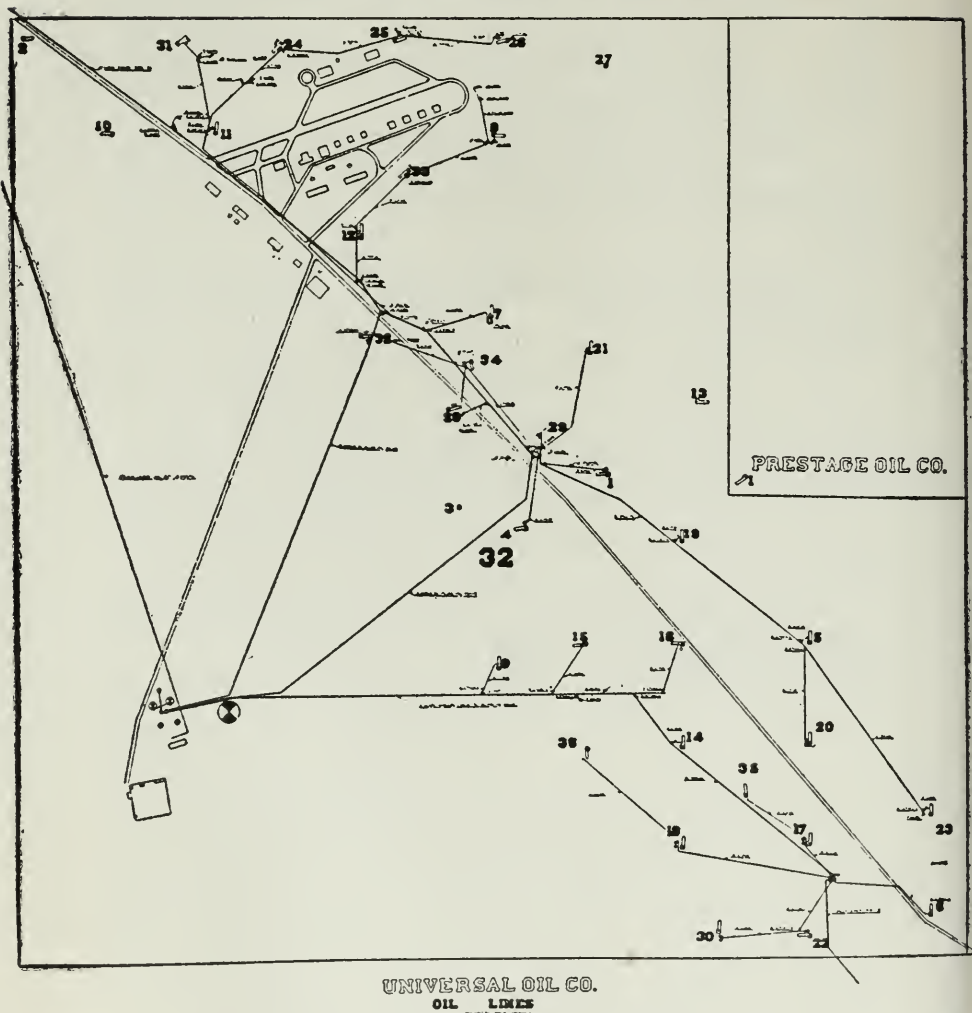
The COURT.—Will you mark that map in some way?

Mr. DUNNE.—We will offer that map in evidence and ask to have it marked as an exhibit.

The CLERK.—Defendants' Exhibit "A-2" in all three cases.

(Defendants' Exhibit "A-2" is in words and figures following:) [951]

**Defendants' Exhibit "A-2"—Map.**

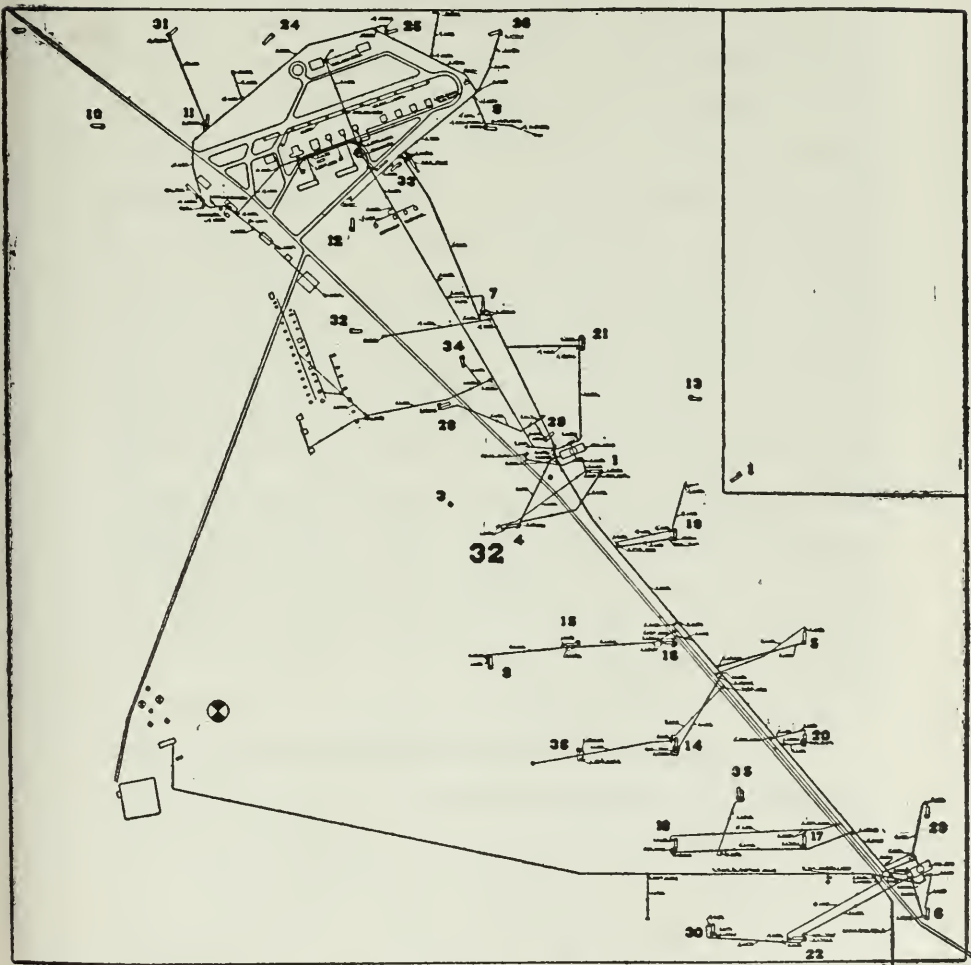


- A-37) Defendants' Exhibit "A-2."  
A-52) Filed Aug. 28, 1916.  
A-57) [952]

Mr. DUNNE.—We will also offer this other map.  
The CLERK.—Defendants' Exhibit A-3 in all three cases.

(Defendants' Exhibit "A-3" is in words and figures following:)

**Defendants' Exhibit "A-3"—Map.**



UNIVERSAL OIL CO.  
OAS LINES

- A-37) Defendants' Exhibit "A-3."
- A-52) Filed Aug. 28, 1916.
- A-57) [953]



(Testimony of Roy A. Bishop.)

Q. (By Mr. DUNNE.) Now, will you explain that matter of gas?

A. The gas system as illustrated on this map contains a main running through the entire field.

The COURT.—Q. What do you use the gas for?

A. For running the gas engines at the various wells and using it under the boilers for fuel, replacing with it the oil which we would have to use if we did not have the gas. So we have a collecting system running through the field, taking the gas from all of the wells into that system and running it down into a cleaning system located on unpatented land. That is, we take the gas down [954] our line and collect it and allow the water and so forth to drop out of it, obtaining the pure gas which is used for boiler purposes and other wise. The gas pressure is maintained on this boiler and also a little boiler which we have on our patented lands—another cleaning place. Gas comes from wells of higher gravity in greater quantities than from wells of lower gravity. That is to say, on this end of our field in our higher wells—

Q. Are you speaking of the patented lands?

A. Yes, sir; on the patented land we have a greater quantity of gas than we have on Section 30 and our other lands. So we have taken a pipe-line and run this pipe-line from off of our patented lands on to the unpatented lands and down to our main pumping plant, the idea being in that that we use this surplus of gas which we have, to run the pumping plant which furnishes steam for the compressor which fur-

(Testimony of Roy A. Bishop.)

nishes air to the wells on the unpatented lands. The air line runs here.

Mr. HALL.—It is not shown on these other maps.

A. No. I think I can put it on. I know exactly where it goes. To segregate this gas system into the quarter-section which is patented and into the other or unpatented lands, would work a greater hardship upon the unpatented land for the reason that I have explained, that the patented land is furnishing the fuel that runs the boiler that mixes the oil from the patented land as well as the unpatented land, and the compressor. If we should cut this gas line off where it passes out of our property, this plant would be without gas, and this gas would be wasted, as we are sending our surplus gas down. That would compel those who are operating unpatented land to use oil in their boilers in order to operate the machinery which is set there to be operated, and would be a great economic waste naturally, as that oil must be considered worth the [955] exact price we can obtain for it if we sell it.

The COURT.—About what quantity of oil would it require?

A. It would require about 1,500 barrels a month.

Mr. HALL.—To run the compressor plant?

A. To run the compressor plant and the mixing plant and so forth, and the pump that sends the oil to the company. You understand, we have to furnish the steam to pump the oil to the purchaser.

Q. Does this gas furnish all of that?

A. This gas furnishes the larger amount of it.

(Testimony of Roy A. Bishop.)

We are using three or four hundred barrels of oil now. That is to say, we have not sufficient waste gas to furnish this pumping plant.

The COURT.—It would take about 1,200 barrels extra?

A. Yes, sir. You will note that the gas from well number 4 on the patented land has its line leading over to the unpatented land, and also back. On the particular well we go the line back on the unpatented land, which, of course, we would not do. There would be an economic waste if we were unable to use the waste production of this land in operating. I will say even now there is a surplus supply of gas which we have from this patented land that in the winter months when it is cold and the gas is not in such large quantities, that we are short and have to burn more oil.

Q. (By Mr. HALL.) How much oil?

A. We have to burn more.

Q. How much? A. I can't tell you how much.

Q. (By Mr. DUNNE.) Now, Mr. Bishop, is there anything further that you wish to add in respect to the gas situation?

A. I think I have mentioned that the patented land has sufficient gas to operate its property in case it is divorced from this other property, so that the Government would have the loss [956] which I have mentioned, and not the patented land.

Q. Now, Mr. Bishop, what would be the effect of this severance from the water situation in that field?

A. (Putting up another map.)

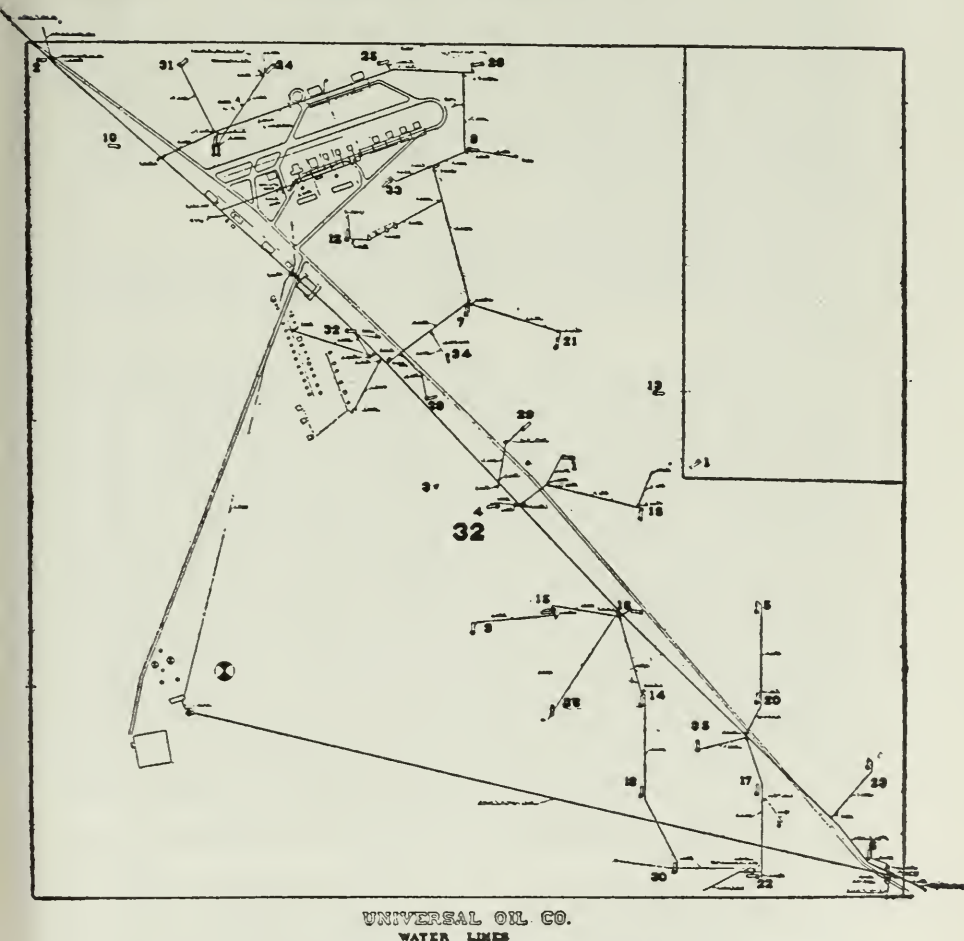
(Testimony of Roy A. Bishop.)

Mr. DUNNE.—We will offer this map in evidence.

The CLERK.—Defendants' Exhibit "A-4" in all three cases.

(Defendants' Exhibit "A-4" is in words and figures following:)

**Defendant's Exhibit "A-4."**



A-37) Defendants' Exhibit "A-4."

A-52) Filed Aug. 28, 1916.

A-57) [957]

(Testimony of Roy A. Bishop.)

Q. (By Mr. DUNNE.) Will you just state generally the significance of the water in respect to an operated oil field like that?

A. When this field was first discovered it was necessary for them to haul water in long wagons by horses over a very poor road in order to obtain the water which was necessary to use under the boilers in drilling and also in the wells; in drilling they keep the wells full of water and it takes a very large quantity of water to drill an oil well. After the present company acquired the property they were at a loss how to get water—

(Mr. Hall interposes an objection.)

The COURT.—Go on and state what the present system is.

A. We have a water well located fourteen miles from our property, east. Fourteen miles east we have a water well on some patented lands which we purchased. We erected a pumping plant at the water well and pumped it a little more than halfway to what is known as the Slough Pumping Station, where we pumped it again through this 4-inch line to strike our property at the southeast corner of our patented land. That pipe-line then runs through our patented land and off of our patented land onto the southeast quarter of Section 32, to a large receiving tank, and from that point we distribute the water to ourselves and to all of the operating companies in the Lost Hills with the exception of the Standard Oil Company, who have their own system. Also with drinking water, drilling water, [958]



(Testimony of Roy A. Bishop.)

boiler water, and so forth. This line also furnishes the water to the town of Lost Hills for drinking. In the event, therefore, that I am given charge only of the patented land, the water system will have to be changed so that it will not be trespassing on somebody else's land, which would compel us to build our tankage and pumping system on our own lands, to distribute from. The pipes are running from this system now north two or three miles and south two or three miles. That would be the greatest difficulty that we would have with the water—the necessary expense of rebuilding a plant to distribute the water. This distributing plant and mixing plant and power plant down there stands on our books at some sixty or seventy thousand dollars.

Q. Now, Mr. Bishop, passing from this matter of the displacement of the present *status quo* and the economic readjustments that would be imposed by such a disturbance, I ask your attention to another economy in the management of these properties, to wit: to the question of the loss of operating time attributable to each well, and I will ask you if you have introduced a system by which an account is kept of such loss of time, and if you can show it to his Honor, and explain it briefly to him.

A. I have here the Devil's Den and Universal lost time.

Q. Take the Devil's Den as the first company we have been introducing testimony concerning.

A. We have a system of obtaining knowledge of what may be the trouble at each well, which I do not

(Testimony of Roy A. Bishop.)

believe is practiced in detail at most properties. The idea of our system is that each man should do a little work and turn it into the office so that we may gain the knowledge. Each pumper therefore has a proper book and any well that is shut down for any reason for more than fifteen minutes, it is recorded and is sent into our office. These are [959] tabulated and watched very closely, the idea being that the pumper would report that he shut down two wells on account of belt trouble. If, two days afterwards, another report came in that he was shut down on the same well on account of belt trouble, it would serve as an accurate alarm for the superintendent to go out and see if we had not better throw that belt away rather than lose the time. These are tabulated up into exhibits showing the various causes of delay. It reads: Belt repairs, cleaning and swabbing, rig repairs, sanded, gas-engines, changing pump, pump repairs, Pitman adjustment, rods parted, gas system, tail-pump, pulling, damage by wind. The last is an unusual one which was caused by the large storm we had. The sum of all the time caused by the belt repairs on all the wells is added up showing the total number of hours, and I might say that the figures on this report are hours. It shows—

Mr. REDDING.—You mean the time lost?

A. Yes, sir. That is a six months' report of lost time. It shows in six months with these wells we lost 72 hours. We lost 4.1 per cent of our time in belt repairs. All the others are treated alike, so that

(Testimony of Roy A. Bishop.)

we obtain the total number of hours that we have been shut down due to any cause on all the wells. Adding it across horizontally, we obtain the total number of hours that any well has been shut down for all of the reasons enumerated. For instance, it shows that well number 1 on Section 30, the Devil's Den, in six months as having been shut down 49 hours. In the next column, for each well, I have shown the percentage of time efficiency, which means the percentage of time that the wells operated for the six months; that is to say, there is 1.1 per cent, of the time in the six months in which that well was shut down for the reasons indicated; that is, 11 hours belt repairs, 9 hours cleaning and swabbing, 15 hours gas engine trouble, 7 hours changing [960] pump, and 7 hours pulling, most of these being unavoidable.

Q. (By Mr. DUNNE.) Will you just allow Judge Bean to glance at that exhibit?

Mr. HALL.—Are you offering it as an exhibit in the case?

Mr. DUNNE.—Yes.

The CLERK.—Defendants' Exhibit A-5 in all three cases.

(Defendants' Exhibit "A-5" is in words and figures following:) [961]









(Testimony of Roy A. Bishop.)

A. On the last column I call your attention to the barrels lost. It shows, I believe, that we operated on that well, number 1 on 30, 98.9 per cent of the full time that we possibly could have operated. By losing that 1.1 per cent of time we have lost a certain number of barrels, all due to the fact that the well was not operating continuously, and in this case it was 125 barrels of oil. That is to say, that if the well had operated for the entire six months without a single moment shut-down, we would have obtained 125 barrels more from that well.

The WITNESS.—(Continuing.) That would have been an ideal 100 per cent efficiency in operating. On this particular report we have lost 1,797 hours on the Devil's Den, 336 of which was due to an unfortunate windstorm.

Q. Is that the big storm that we read about in the papers when the rigs were blown off of the earth?

A. Yes, sir; in operating the Devil's Den property we have operated 96.6 per cent of the full time we possibly could have operated, and the reasons are here enumerated why we did not operate 100 per cent, most of which, you will note, are unavoidable, as a well must be cleaned.

The WITNESS.—(Continuing.) In the Lost Hills property, including all our wells, we operated 96.4 per cent efficiency, and nearly half of our lost time was due to the damage by wind.

(Testimony of Roy A. Bishop.)

Mr. REDDING.—We offer that also, Mr. Clerk.  
[962]

The CLERK.—Defendants' Exhibit "A-6" in all three cases.

(Defendants' Exhibit "A-6" is in words and figures following:) [963]

UNIVERSAL OIL COMPANY

Lost Time Record

*in Hours*

Six Months Ending June 30-1916

UNIVERSAL OIL COMPANY

Lost Time Record

Six Months Ending June 30-1916

Well	Sec.	Belt	Pitman &	Cl'n'g	Gas	Steam	Chan'g	Rep'ing	Rods	Tail	Stage	Gas	Pulling	Ch'ng	Boiler	Steam	Rig	Damage	Total	% Time	Shls	
		Repair	Adjuster	Swab'g		Sanded	Engine	Engine	Pump	Pump				Parted	Pump	Line	System	Proc.				Delay
1	5	----	----	42.	120.	---	----	19.	35.	----	----	----	----	----	----	----	----	52.	268	93.9	456	
2		----	----	3.	----	4.	----	8.	7.	----	----	----	----	----	----	----	----	----	22	99.5	63	
4		----	----	24.	----	----	----	----	----	----	----	----	----	----	2.	----	----	----	26	99.4	11	
5		----	----	----	16.	----	----	36.	13.	----	2.	----	----	----	2.	----	----	5.	74	98.3	110	
6		----	----	----	----	----	----	7.	----	----	----	----	----	----	2.	----	----	24.	33	99.2	86	
7		----	3.	----	----	----	5.	----	----	----	----	----	6.	55.	----	----	----	69	98.4	28		
1	30	----	----	----	26.	----	----	----	----	----	----	----	----	----	----	4.	----	513.	543	87.6	674	
4		----	----	60.	144.	----	7.	----	72.	----	19.	----	----	----	----	----	----	93.	395	91.0	1255	
5		----	----	30.	----	----	----	----	----	----	----	----	----	----	60.	----	----	45.	135	96.9	90	
9		1.	2.	29.	----	2.	----	2.	----	----	----	4.	7.	----	----	----	----	47	98.9	161		
10		25.	----	7.	----	----	----	----	----	----	----	----	----	----	----	----	----	32	99.3	24		
11		----	----	28.	----	----	----	14.	----	----	----	----	----	----	----	----	----	42	99.0	63		
12		----	----	----	----	----	----	----	----	----	----	----	----	----	60.	----	----	18.	78	98.2	35	
13		3.	----	9.	11.	----	5.	----	7.	----	----	----	----	----	----	----	----	35	99.2	45		
1		----	4.	----	----	----	----	6.	----	----	----	----	----	----	----	----	----	24.	34	99.2	77	
4		1.	----	----	9.	----	9.	----	----	----	----	----	----	----	----	----	----	21.	40	99.0	66	
5		10.	2.	21.	22.	14.	----	----	153.	----	----	----	24.	----	----	----	----	126.	372	91.5	677	
6		----	----	----	6.	----	----	22.	----	----	----	----	----	----	----	----	----	51.	79	98.2	1631	
7		7.	----	24.	1.	65.	9.	----	----	----	12.	----	----	----	----	3.	----	44.	153	96.5	625	
9		----	----	----	52.	----	----	7.	----	----	3.	----	----	----	2.	----	----	171.	235	94.6	372	
12		----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	21.	33	99.2	35	
14		----	----	----	----	----	----	----	----	----	----	----	----	24.	----	----	----	147.	147	96.6	432	
15		----	16.	----	----	9.	18.	----	----	----	14.	39.	----	----	----	4.	115.	215	95.1	177		
16		41.	----	13.	14.	4.	----	8.	----	----	8.	----	----	----	----	----	24.	112	97.4	159		
17		8.	----	16.	----	8.	16.	----	----	----	----	16.	----	----	----	----	27.	91	97.9	233		
18		59.	28.	----	4.	28.	----	257.	----	----	12.	----	----	----	----	----	404.	792	81.9	973		
19		----	----	----	19.	----	9.	----	----	----	----	----	----	----	----	----	195.	223	94.9	152		
20		30.	14.	30.	36.	62.	10.	9.	39.	4.	9.	----	----	----	----	----	99.	342	92.2	774		
21		13.	----	----	22.	----	17.	----	----	----	----	----	----	----	----	----	212.	264	94.0	112		
22		----	24.	10.	----	9.	27.	----	5.	----	5.	----	----	----	----	----	75.	145	96.6	364		
23		----	15.	153.	11.	12.	----	----	----	----	----	----	----	2.	----	----	261.	462	89.4	733		
24		----	6.	----	----	6.	----	----	----	----	----	----	----	7.	----	----	19.	38	99.1	51		
25		----	----	----	----	8.	----	17.	----	65.	----	----	12.	----	----	----	21.	98	97.8	294		
26		1.	6.	174.	179.	39.	----	----	----	----	----	59.	----	----	----	----	18.	26	99.4	30		
27		----	12.	----	----	4.	----	----	----	----	----	2.	----	6.	----	72.	51.	68	98.4	40		
28		----	----	----	----	----	----	----	24.	----	----	24.	----	----	----	----	48.	48	98.9	37		
29		1.	21.	----	38.	----	8.	----	----	----	----	----	24.	----	----	72.	24.	123	97.2	77		
30		11.	----	----	23.	----	15.	----	----	----	11.	----	----	----	----	4.	24.	92	97.9	155		
Total		211.	111.	705.	558.	435.	4.	157.	248.	557.	84.	2.	78.	177.	91.	143.	7.	80.	3327.	6979	100.	941
Average		3.02	1.59	10.10	8.00	6.23	.06	2.25	3.55	7.98	1.20	.03	1.12	2.54	1.30	2.05	.10	1.15	47.67	100%		

Average % of Time Efficiency for 44 Wells

96.4

Wells 27-32 - initial production June 28th, 1916 - no time lost)

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(Testimony of Roy A. Bishop.)

The WITNESS.—(Continuing.) The same explanation made concerning the Devil's Den exhibit would go with this Lost Hills one. They are made along the same general principle. The object of these lost time reports is to notify the superintendent, so that if something should be occurring continuously which prevented our production being as good as it should be, he is fully informed and can investigate in person. I don't believe a system of this kind is carried in such detail by other companies.

Cross-examination.

(By Mr. HALL.)

The WITNESS.—The effect of this method of keeping this data upon the efficiency of the men in the field operating the pump is psychological. If a man who is working for you realizes that you are watching him very closely, if he has to put something down in writing and sign his name to it, he will exercise greater care than he would otherwise.

Q. You don't believe, then, in putting your workmen on their honor?

A. I believe in putting my workmen, such as pump-men pumping the wells, on their Honor and then watching their Honor.

The WITNESS.—(Continuing.) I took charge July 1st, 1913. There has not been a railroad out from Wasco since that time. We get our material and supplies out there by freighting them in from Wasco over the road from McKittrick and from Coalinga, depending on the point. We operate our own trucks. Ever since I have been on the prop-

(Testimony of Roy A. Bishop.)

erty they have been operating their own trucks. We also have some work done by contract. The number of trips a month or [964] week these trucks make from Wasco would depend on the amount of work we are doing. At times when we are very busy they are running continuously and it is necessary to employ others. At other times they are not running continuously and have time to do other work around the lease. We have been operating a refinery, indicated on the map by a square, and have been taking out gasoline to the stations and distributing it to the farmers on our trip out, and bringing back a load of material. That was going on at the time I was there. It had been going on for some time previously. It would be very hard to give the percentage of the wagons that were taking out the supply of gas. Sometimes we were slack and sometimes we had to take an extra wagon to distribute the gasoline. I couldn't give any data. We haven't any tables showing how much tonnage has been taken out and how many times the truck went out empty.

We are using a three-ton truck. They sometimes go out empty.

That water system was installed before my advent on the property. The pumping plant was built on the southwest quarter of 32 before I went there. Those lines going across from the southeast to the northwest corner of the section are all water lines, as shown on exhibit "A-4." These branch lines going on, for instance, from the point 15 on the southeast corner of the section to the wells 15, 9 and 6,

(Testimony of Roy A. Bishop.)

are taking water from a valve in the main line and taking it to those various wells to be used on the cooling jacket of the gas-engine, in case the well is operated by gas.

The water supply that we have developed is absolutely unfit for commercial purposes, as is indicated by the fact that all the companies are using our water. They used it because they couldn't operate without it. We sell that water at so much per barrel. That water that comes out of the well seeks its channel [965] and flows off of our property. That is also unfit even for cooling gas-engine jackets. I would say that it was not good water to put around a water-jacket for the reason that it has a great deal of sulphur in it and a great deal of other foreign matter which would not be good for the iron. We attempted to use it in this field, in some instances, in the early days as drilling water where it can be used. It can be used for drilling water. Anything that is wet can be used in drilling. Water, or oil, even can be used for drilling.

Q. With respect to the main pumping plant on the Government land—

A. The source of the water is fourteen miles from this property on patented land, and an intermediate station which is on Government land. But if the Government should take the land away entirely, we would not pump it over the Government land but would stop our lines here.

The WITNESS.—(Continuing.) From the southwest quarter this line over to the intersecting line,

(Testimony of Roy A. Bishop.)

is the receiving line from the water wells. From there you will see a line which is the main distributing line. And since that map was made we have put in another main, as the other did not have sufficient capacity, so there are two lines here. One of the lines running north and east from the main oil pumping station is used for your general distribution of water over the entire community.

We sell the water from the pipe-line. If this property should be taken over we should be very glad to sell it to the receiver and get some money out of it.

We pump this on up to Section 30; and pump on Section 18. This line does not have to go across public land—land that has not even been located for oil land. We only have crossed one piece [966] of land on which we do not have permission, and we were going to take that out, and the company bought the line themselves. It all goes through private property.

For the pumping of water we use the same generating plant that we have there, or boiler plant, at our shipping plant. It is the main source of distributing after it has arrived on our property. There is a little boosting pump. The power that we use at our station fourteen miles east is electric power that is purchased from the San Joaquin Light and Power Company, and was put in to replace and prevent hauling of oil from the property down there. At the other end of the pipe we have a gas-engine or distillate-engine operating.

(Testimony of Roy A. Bishop.)

I cannot give you the percentage of the water that we pump from the slough or pumping-station that is used on the southeast quarter of Section 32. If you give it in terms of percentage, the percentage varies each day because we are supplying different quantities of water to different companies, and it would be impossible to give it. We don't keep track of how much is used on the southeast quarter. We did keep track of how much is used on the Devil's Den. The Devil's Den has a meter, as that was a separate company.

Q. All of this might be metered so you could measure it?

A. It is not metered. Not in reference to wells.

Q. You could segregate it and tell how much water the receiver got and how much you got?

A. The only trouble I would have if the land went into the receiver's hands would be the readjustment of the pipe onto my own property.

The WITNESS.—(Continuing.) This question of pumping would require a computation so that I would know the terms to give, [967] and I would want to make more favorable terms than I think the Government would want to make.

Q. Then you naturally oppose the appointment of a receiver because he would refuse to make favorable terms? A. Not at all.

Q. Suppose the receiver appointed in this case would do as he has done in other cases and permit your company to operate and account to him and allow him to have inspection and supervision. That



(Testimony of Roy A. Bishop.)

would not work any great hardship.

A. Just to have general supervision?

Q. Yes; and you would account to him for the cost of production and the sale price of the oil, and so forth. That would not seriously interfere with your system, would it?

A. It would interfere much less than if they took the whole property away. We are operating that way now.

Mr. REDDING.—That is under a separate stipulation.

The COURT.—In that event, could you keep an account of the production of the different tracts of land and the relative cost?

A. Not accurately without spending a certain amount of money to change our gathering system and our tankage.

Q. (By Mr. HALL.) Let us turn to the gas map here. Your system of accounting and efficiency and economy that you have shown here does not include a segregation of the gas from the southeast quarter from the rest of the land.

A. That is not accounting. That is the physical operation, which is impossible without certain changes in the property.

The WITNESS.—(Continuing.) We don't segregate this operation nor the cost of extracting the oil nor the production of it nor anything else from the patented portion from the rest of it. [968]

Q. So it would be impossible for you to tell now exactly what you realize from the sale of oil from

(Testimony of Roy A. Bishop.)

the southeast quarter as distinguished from the sale of oil from the rest of the lands involved in these suits?

A. The system of accounting shows us the cost per barrel of oil, the oil, and the number of barrels of oil produced on this multiplied by the cost per barrel would be the cost as close as I can give it.

The WITNESS.—(Continuing.) The net amount that is derived from the southeast quarter as distinguished from the others I know only in an approximate way, which is very close, as it embodies distribution, superintendent's time and the clerk's time.

Q. And you mix everything that comes together, oil and gas and water, and take it into one account?

A. I don't understand you.

Q. In figuring out your net cost and charging it up to the different companies, you simply include everything in one account—what it cost to produce from here, and what it cost to produce from the Lost Hills, and from the Devil's Den? That is all mixed together without any attempt to segregate the cost of production?

A. No, sir. There is a very detailed cost of production account kept of the Devil's Den.

The WITNESS.—(Continuing.) The Universal and Lost Hills is not segregated into the patented quarters and the unpatented quarters. It is all intermingled, so far as the Universal and Lost Hills properties are concerned—all the cost of production and all of the profits derived from the sale of the oil are mingled in together.

(Testimony of Roy A. Bishop.)

Then, referring now to Defendants' Exhibit "A-3," which is [969] the gas-gathering system—a part of the gas that is used that comes over to the pumping station on the southwest of 32, comes from the north half of 32 as well as from the northwest quarter and the southeast quarter of Section 30 part of the time. We have a valve which will disconnect one end of the field from the other. At this time we do not keep an accurate account of the amount of gas that comes from the unpatented land and the amount of gas that comes from the patented land. We know when the wells are drilled, and by watching the wells we know which are delivering the greatest amount of gas. We don't meter the gas from the wells. There is no attempt in the disposition of this gas to segregate the amount derived from the patented quarter from the unpatented lands. I only know from a general knowledge of the character and amount of the gas where the surplus amount of gas that is used over at the pumping station on the southwest quarter comes from, and whether it comes from the unpatented lands or patented lands. The greater amount of gas is on the patented sections of the field. I cannot give it in proportion. This gas is collected in two places, at what is known as the boiler plant on the unpatented land, and it is collected at the boiler plant on the patented land.

Q. Do you bring the gas which is collected on the northeast quarter of Section 32 down to the collecting station on the southeast quarter of the patented

(Testimony of Roy A. Bishop.)

land and then over to the pumping plant on the southwest quarter?

A. When gas gets into a common pipe it is very difficult to separate what comes from one well from another.

Q. I am not trying to do that. Do you simply commingle the gas collected in the northwest quarter with the gas collected from the southeast quarter?

A. I was looking for a valve located there which permits [970] it to pass part of the time and part of the time it does not.

The WITNESS.—(Continuing.) By simply putting a valve in there you can segregate the amount of gas collected from the unpatented land from that which is collected in the patented land. It would not cost much to do it.

Q. And that would give you a collecting system by which you could collect and segregate the gas from the unpatented land from that produced on the patented land and bring it down to the pumping station?

A. From my general knowledge of the field there would be no surplus.

Q. But there would be some gas to take down there?

A. I think not, in my own mind—not enough to recommend the investment necessary to put in a pipe line.

The WITNESS.—(Continuing.) It would not be impossible to collect the gas at this point so that you would get all the gas coming from the unpatented

(Testimony of Roy A. Bishop.)

land, and bring it down to the pumping station, and then bring all the gas over here from the patented land. It would be impracticable and unwise.

If, eventually, the Government wins this suit, and it had to take these lands away from our company, our line could be separated by cutting it in two. We could collect our surplus gas at the southeast corner and run it over here and sell it to the Government; it would cause the Government to do something with well number 9, and would cause me to change the piping system to this well, which you know crosses the line. It is a physical possibility to so alter the pipeline so that each property may be independent. The only item is the expense and the results obtained by doing it. But we have adopted this system so that eventually it may be possible to segregate and cut off entirely the southeast quarter or patented [971] lands from the rest of these unpatented lands by changing the pipe. Of course I can erect a new pipe system on my own property. But so far as the gas system is concerned, to change the system so as to get it to the pumping station on the southeast quarter, it would be necessary to readjust the pipe for gas to connect the well Number 4 on the patented lands, and for the Government in some way to handle the gas coming from 9 from the patented land over onto the unpatented land.

Q. Wouldn't it be just as easy to build a pipe-line from well Number 9 northwest and intersect the pipe-line coming from the well at this other place?

A. A separate system can be installed that will get



(Testimony of Roy A. Bishop.)

the gas from the unpatented land and the patented lands separately at an expense. And it would be unwise for whoever owned the unpatented lands to attempt to do as you have described.

The WITNESS.—(Continuing.) If they finally became entirely separated and the Devil's Den Company and the Lost Hills Company takes the southeast quarter and the Government takes the rest of it, some separation of that sort would have to be made. It could be made at a not excessive expense; the expense of laying the pipe-line. About the only pipe-line that would have to be laid would be those that you and I have indicated.

It would be possible to measure gas coming from the unpatented lands by simply metering it at the intersecting line so that I would know positively the proportion of gas coming from the unpatented lands as compared with what came from the patented land; meters could be installed.

Q. And how many pipes are there crossing the land there where the meters would have to be put in?

A. One from the Government to the patented land, two from the patented lands to the unpatented, and the main gas line from [972] the patented land to the shipping plants.

This well number 9 is a good producer of gas, I think. That is on the unpatented land.

I am unable to answer as to the proportion of oil and gas used at this pumping station in the winter-time. I would have to refer to my record to know how many barrels of oil it takes to run the plant in

(Testimony of Roy A. Bishop.)  
the winter-time. This I will do.

I can give you no idea now, as to the amount of gas coming from the unpatented land which is delivered here at this pumping station. I can give you no actual figures as to what proportion of gas delivered at this pumping station comes from the unpatented lands and what proportion comes from the southeast of 32.

Q. So that when you state it would take fifteen hundred barrels of oil to run the pumping plant to the southwest of 32, you state that in view of the fact that you thought the entire gas supply would be shut off?

A. I said that from my general knowledge that the wells here would not have sufficient gas to supply—that the wells on the unpatented lands would not have sufficient gas to supply the wells on the unpatented lands.

Q. But if the wells on the unpatented lands furnished half as much gas as the wells on the patented lands, it would make a corresponding reduction on the amount of oil that would be used to pump the wells up here? In other words, you could use the gas from the unpatented land?

A. If there was surplus gas coming from the unpatented land, it could be used.

The WITNESS.—(Continuing.) By surplus of gas I mean gas that it is not needed in the field direct to operate the gas-engine or the boilers located in the field. [973]

Q. You don't take any of the gas from the south-

(Testimony of Roy A. Bishop.)

east quarter of Section 32 back up onto the unpatented lands to use and pump those wells on the unpatented land? A. Yes.

The WITNESS.—(Continuing.) I can't tell you how much of it is used; that also depends upon the conditions of these wells. If you should be working on one of the wells that did not make gas and it was shut down temporarily, the pressure being lower the gas would naturally fall down.

Now, turning to exhibit "A-2," the plat with the oil lines, on Section 30. All of the oil is brought from Section 32 by the main pumping plant on the southwest of 32. And the heavy line which is indicated here as "U Heavy," that brings mostly oil from the unpatented lands. These "D. D." lines "Heavy" is made so that it brings down the oil from the Devil's Den and also from the Lost Hills land on Section 30. They are all unpatented lands. They are the lands involved in this suit. So that in coming down here with this "D. D. Heavy" line, oil is gathered simply from unpatented lands which are involved in this suit. This "U Light" line running from the southeast quarter to the pumping station, and the Universal "Heavy" line would be affected. Both of them would be affected.

The "Universal Heavy" line would be affected in five wells: Numbers 1, 19, 5, 20 and 23. Those are oils that are heavier than our lighter oil and also have some foreign matter in them which makes it inadvisable to mix them with the lighter oil, which is separated and segregated.

(Testimony of Roy A. Bishop.)

That line that breaks the south boundary of the section just below well number 22, runs down onto Section 5. We have property down there now and pump up through that line; it flows through that line. We are then mingling at the general station over [974] here not only the oil from 32 but the oil from Section 5, the patented land.

There is no line going out immediately in the southwest quarter of Section 32. That broken line down there that you notice is the road. That is not a line at all; that is a road. I will mark all the roads on the plat. These lines up here are roads. Perhaps I had better mark the oil lines in blue.

At the present time I do not keep an accurate measure of the oil that comes through the "Universal Light Line," so-called, from Section 32. I do not keep an accurate measurement of all that comes up from wells 23, 19, 5 and 20, into the Universal "Heavy" line.

Q. So that you don't know the production there at all? Do you keep any separate account of the oil which comes down through the Devil's Den and the Universal "Heavy" and comes from the north or northwest which comes from the unpatented land?

A. To cover all three questions I would like to explain—

Q. Just answer me and then you can make any explanation you want.

A. Yes. In the two previous questions also I should have answered "yes," with this explanation: That we measure the oil at each well and get the

(Testimony of Roy A. Bishop.)

approximate cut of the water. It is then put into this line. The sum then of all that is put into this line would be the amount that is delivered to this line. There would be a variation between that and the amount of oil which we sell due to the fact that the oil and water and so forth is treated at this plant and there is a variation so that it won't be an accurate account.

The WITNESS.—(Continuing.) All of the oil that comes in from Section 32 and Section 30, patented or unpatented, is eventually [975]<sup>1</sup> brought in together to one plant. We pump it to the Associated Oil Company at present.

The Associated Oil Company has a pipe on the property in controversy; the Associated have a line from our pumping station on our property. That pipe-line is on the southwest quarter of Section 32. It is into that pipe that the Universal Oil Company delivers all of the oil which it produces on this land, patented and unpatented. The oil which it delivers and sells to the Associated Oil Company is sometimes commingled together, both the oil from the patented land and the unpatented, and sometimes not. We do not keep any books or make any distinction between the amount that comes from 32 and is delivered to the Associated, as distinguished from the amount that comes from the unpatented, which also is delivered to the Associated; we only obtain that by figuring out estimates of the wells. Our practice is to commingle the oil and sell it as a commingled product; to obtain that whole price.



(Testimony of Roy A. Bishop.)

We get 50 cents a barrel for the oil delivered to the Associated Oil Company of 25 degrees and over; from 22 to 25, we get 45; and under that to about 14, it would be 30. We have never sold any less than 30-cent oil. However, on the Devil's Den property, if the Devil's Den property were not mixed with the Universal—the Lost Hills—if the oils on those two properties were not mixed, the oil on the Devil's Den would only bring 30 cents under our contract.

Q. What would it bring in the open market?

A. I have not noticed the recent increased price of oil.

Q. Mr. Todde stated on the witness-stand that oil of 18 to 20 was to-day worth 63 cents a barrel. What is the gravity of this oil taken from the Devil's Den property?

A. The gravity runs about 18, 19 or 20. [976]

Q. If it were not for this contract you would get instead of 37 cents a barrel, you would get 63?

A. If we could break the contract we could.

Q. And that is true of the higher grades. If you could break the contract with the Associated Oil Company for the delivery of this oil from this unpatented land as well as your patented land, the price of the oil would be almost anywhere from 20 to 40 cents higher on the barrel?

A. I don't know the prices they are paying of late.  
[977]

(Testimony of Roy A. Bishop.)

San Francisco, California, August 28, 1916.

2 o'clock P. M.

ROY A. BISHOP, recalled.

Cross-examination (resumed).

(By Mr. HALL.)

The average gravity of the oil taken from the southeast quarter of Section 32, as ascertained by taking samples at the well and making corrections for the water, is between 28 and 30 degrees.

On the unpatented land the gravity of the oil varies from 18 to 22. The product as mixed has a gravity of 25 for a portion and 22 for another portion. That is to say, that we attempt to raise all we possibly can to 25 and to lower all we possibly can to 22 so as to get the full benefit of the excess gravity which we have. There is oil produced from the unpatented land which runs in excess of 25 gravity. I am referring to the well 32 on Section 32. I will have to refer to my book to tell you exactly what well number 9 on Section 32 runs. My best impression is that it is around 25.

The amount of oil of the higher gravity, 28 to 30, per thousand barrels used to the oil from the unpatented lands in order to bring the entire product up to a gravity of 25, would depend upon the gravity of the oil which we are trying to raise to 25. To illustrate, by using an oil 1 degree over 25, it will raise to 25 an equivalent quantity 1 degree below. So that 100 barrels of 26 gravity oil and 100 barrels of 24 gravity oil would make 200 barrels of 25 provided there was no loss in making the mixture.

(Testimony of Roy A. Bishop.)

There is liable to be a loss in making the admixture, and we always aim to get a trifle over 25.

Q. Do you keep an accurate account to determine the amount of oil and its gravity, extracted from the southeast quarter [978] of Section 32, which is mixed with the oil from the unpatented lands to make the higher admixture?

A. Each day we gauge the oil that comes from the receiving tank at the well. We gauge it and take the gravity of the well. For a long period we took the gravity each day, but as the gravity is quite constant we take it twice a month; so we take that gravity as it becomes known as the gravity the well is producing, and we gauge the quantity of oil and make the correction for water. It then becomes mixed with other oil, and if the oil from one well is mixed with the oil from another well it loses *it* identity and we are unable to trace it further.

Q. So that you keep no accurate account in your present system to ascertain what value the oil from the patented land has as compared to the value of the oil from the unpatented land?

A. No; we have that in the way I have described to you.

Q. That is only an approximation?

A. It is as close as can be made to the time of shipment; it is the admitted way of gauging a well.

The WITNESS.—(Continuing.) This admixture is made at the pumping station on the southwest of 32; it is made at the tankage system at the pumping station on the southwest of Section 32. In other

(Testimony of Roy A. Bishop.)

words, we bring all the light oil in the Universal "Light" line, and all the heavy oil in the Universal "Heavy" line. The Devil's Den and the oil from Section 30 of the Universal is brought through the line designated as "Devil's Den Heavy" line.

Sometimes we keep separate measurements of the oil that is delivered at the mixing station and that comes down through the three different lines, and sometimes we do not. We have no regular system of reporting that production through the different lines; so that we have no records in our office to show what came down [979] through the several lines.

Q. How do you regulate the amount of oil that you mix with this heavy oil?

A. The system of the four-way valves which are installed in these pipe-lines permit us to take the oil from any one of the three lines and to discharge it into any one of the tanks illustrated on this map. We will assume that we have a thousand barrels in this tank, a thousand barrels of Devil's Den heavy oil. That is pumped over into this large shipping tank, as this is the tank in which we mix the oil. After it is in this large shipping tank the gravity is taken of it so as to ascertain its gravity. If it is 20 gravity and a thousand barrels, we would know that it would be necessary to mix a thousand barrels of 30 gravity with that oil in order to get 2,000 barrels of 25-gravity oil. We, therefore, take the light oil which we have reserved in these water-sealed tanks—and also, in order to avoid any possibility of aging we generally

(Testimony of Roy A. Bishop.)

pump that over into the tank during the night previous to the day on which the company is going to purchase. That is, we have pumped from these light oil tanks which has received the oil from the patented sections into the mixing tank a sufficient amount which is figured out theoretically as the amount necessary to bring it exactly to 25, and it is then tested. And if we have pumped the right amount, it is ready for sale. If not, we pump sufficient to bring it to the right gravity.

The WITNESS.—(Continuing.) We keep no record of the amount of light oil that we turn into that admixture.

This tank is a 55,000 barrel tank. We used to make deliveries from that tank to the Associated Oil Company about three or four times a month, the idea being to deliver as large a quantity at one time as we could, as we figured it was more [980] economical by not compelling us to keep our boiler plants running the other portions of the other days to a certain extent.

It is not a fact that the longer oil stands in a tank the lower the gravity becomes; that will depend on other facts. To state that as an abstract fact, it is not correct.

Q. Isn't it a better policy to make deliveries oftener than it is to accumulate the oil in the large tank, like this 55,000 barrel tank, and deliver three or four tanks a month?

A. The heavy oil which we place into the shipping tank is not affected by the temperature that we have.



(Testimony of Roy A. Bishop.)

Q. Is not the 28 to 30 gravity oil that is placed in the two light oil tanks, as you call them, affected by standing in the tank for a considerable length of time?

A. It will not lose a fraction of one degree in gravity, because we carry gasoline in the same manner, which is the lightest product obtained from the oil,—we carry that in the same style of tank without losing any gravity.

The WITNESS.—(Continuing.) The frequency with which we make this admixture depends upon the convenience of the party to whom we are selling, when he will take the oil from us. We are now shipping rather regularly to them, and their lines are not as crowded as they were at the time when the production in the oil fields of California was greater.

I have no recollection of using a gas trap to force the gas back into the oil. We never tried to force the gas back into the oil on this property.

Q. Have you ever tried a gas trap to retain the gas in the oil?

A. We have put gas traps on the property, not to retain the gas in the oil, but to preserve the volatile part of the oil [981] or gas which has been released and would escape to the air.

Q. How many of the wells are using gas traps now?

A. Since the gas head has gone off of the wells at the Universal property, I believe that we have no gas traps on the Universal property. We had some

(Testimony of Roy A. Bishop.)

on the Vulcan property which we sold to the Universal, and I have no recollection of any on the Universal.

Mr. DUNNE.—Don't you mean sold to the Standard?

A. Yes; we have no gas traps separating the gas from the oil. We have a gas trap that takes the gas from the casing head and separates the gas from the oil; that is the oil is allowed to drop down and the gas is allowed to come off clear.

Q. At what point do you separate the water from your oil?

A. When the oil is pumped from the well it is oil, water and sand mixed in the fluid which comes from the well. That is placed into the cone bottom tank that I described previously, and the first or larger amount of water is taken from the oil then. It then goes to the shipping plant—no, it then passes to the receiving tank at the well which is about a hundred-barrel tank, and as the oil is permitted to stand there probably for a sufficient length of time to receive a day's run, the water has settled out somewhat in the bottom of this receiving tank at the well. We then do what we call bleeding the tank. That is, we bleed the water that may have settled at the bottom of the vessel catching it. The oil then with some water in it passes down to the shipping tank here, and if it has a great amount of water in it and is unable to get out in very clear water, it is passed over the cleaning tower and is then passed to the distributing tank.

(Testimony of Roy A. Bishop.)

The WITNESS.—(Continuing.) The cleaning tower is operated by heating the oil that is in the tower, which is the lower gravity oil, to a point that it allows the water to drop out. That is the [982] method of separating oil and water.

Q. Do all these wells make water in the same way? That is, do they make the water in suspension in the oil, or does it come out in some of them as an emulsion?

A. We have very little trouble with what is known as an emulsion. Well Number 28, which is reported as a floating well in the previous testimony, is being pumped by compressed air. It has a great quantity of water in it and it is the worst well we have to handle. It has such a large quantity of water that it is difficult to have it settle out.

The WITNESS.—(Continuing.) I don't think it is an emulsion. We have some wells which are more difficult to settle water out of than others, but I don't know whether I would define it as an emulsion.

In the summer-time we get the water out of the oil in the difficult wells the same way; by rubbing it through the cleaning tower, and by heating it. We have never tried at our plant the process of getting it out by putting it into tanks that contained gas under pressure. That would be just exactly the opposite method of doing it. It would not increase the gravity of oil to put gas under pressure in it. That is the way you get gravity out. I don't know whether the putting of a mixture of oil and water that is inseparable by settling in a tank containing

(Testimony of Roy A. Bishop.)

gas under pressure would tend to separate the gas and the water. I never tried it. I have never seen it at any place.

Q. You think the heating process in towers is the most economical and efficient way of separating an emulsion?

A. We have had no emulsion to treat. And if I had, the problem of treating oil that is known as emulsified, I would have to make another study of it. [983]

Q. What do you call emulsified oil?

A. Why, as you describe, containing oil and water so mingled that it does not permit the water to drop out readily by settling.

The WITNESS.—(Continuing.) The oil from these various wells is measured at the receiving tank at the well itself originally, and then it is measured as we ship it. At the last of the month, in order to balance, we take the measurement of all the tanks in the field. The measurements made at the well are after it goes through our settling tank.

The amount of oil that is delivered at this point on the southwest quarter that has to be treated in a tower depends upon the temperature and our ability to settle the water out in the field. We have installed at most of the wells where we have difficulty with water two tanks, so that we may permit the oil and water to remain nearly twenty-four hours before shipping it, and we are then able to bleed a greater quantity of water out than if we would ship it sooner. In that way we have been able to get a large quantity

(Testimony of Roy A. Bishop.)

of the water out of the oil, so that we do not have to run the heating tower as much as previously.

At the present time we are not running the oil through the heating tower. It is the hot summer months. In the winter-time we do, with the exception of the light oil. We do not run any of the light oil at all.

Theoretically there should be a small loss of gravity by running the oil through the tower. The amount depends on the heat which is given to it, and the time it has been there. With a large amount of heat it would be a light distillation, but we don't give it that degree. We have never made any test to determine how much we lose by that. [984]

Q. You state that well Number 18 was in perfect condition. When was the last time you pumped it?

A. Last October, November or December. That was the last instruction I gave to have it pumped. It may have been pumped since without my knowledge.

The WITNESS.—(Continuing.) I had observations made to ascertain what per cent of water it was making. I don't recall the percentage of water it made, but it was not large enough to annoy us. I cannot give any idea what that was without referring to the records. I think I have such a record and will furnish it.

Q. You stated it would take 1,500 barrels a month to run this plant on the southwest quarter. How many barrels of oil are you using now at that plant?

A. May I refer to a record that I have?



(Testimony of Roy A. Bishop.)

Q. Yes.

A. The fuel oil used in the pumping plant for six months ending June 30, 1916, was 1,876 barrels, which would make approximately 300 barrels a month.

The WITNESS.—(Continuing.) I have run that plant by oil alone. I would have to refer to my record to tell how much it required. The consumption of oil was not so great after we placed a compressor plant on the Vulcan property and compressed gas and sent it down there in order to avoid that waste of oil. That gas has probably been sold to the Standard Oil Company.

This well on 18 was cemented off once. It makes a small quantity of water since it has been cemented off. There is very little gas in the well. There would be a little gas if the well was pumped. There is no gas escaping at the present time. It would be very problematical as to the amount. It is not a gaseous well. It is the heaviest of the heavy oil. I don't think [985] there was enough gas in the well on 18 at the time we made our experiments to pump it at all. I don't think there would be enough gas to do it even if it were pumped regularly.

Q. Is there any gas produced close by there?

A. Yes, the other properties must be producing gas adjoining it.

Q. Have you kept any record of that well on 18 to show what it's pumping capacity is?

A. On our test we estimated it to produce 30 or 40

(Testimony of Roy A. Bishop.)

barrels of heavy oil which could only be sold as fuel oil.

The WITNESS.—(Continuing.) The Standard Oil Bulletin is a criterion as to the market value of oil; that is the market that they have with us. That is usually among oil men considered as the criterion. Whatever their prices are published in that "Standard Oil Bulletin," are generally taken in the oil world as the market price of oil.

Q. Will you get me those figures and the prices that you are now getting for this oil from the Associated Oil Company?

A. I rushed down to the Chamber of Commerce Building and from there took a taxicab to my office and did not have time to get it.

Q. Please get me the prices you are getting for oil from the patented and unpatented land.

A. I could not tell what I am getting for the patented and unpatented when they are mixed.

Q. That is what I mean, when they are mixed.

A. 50 cents a barrel for oil of 25 degrees gravity and over; 45 for oil of 22 and over.

The WITNESS.—(Continuing.) We are not selling any oil at 37 cents. We never have sold any to them at 37 cents. [986]

Q. Then our stipulation in this case recites the wrong figures?

A. I have not read your stipulation. The 37 cents I am familiar with, though. They give the Devil's Den Company 37 cents credit for it. We sold that oil for 45, and it was the adjustment price that we had

(Testimony of Roy A. Bishop.)

between the two companies after considerable argument.

The WITNESS.—(Continuing.) I don't know the present price in the market of the Devil's Den Company's oil. Since I have been managed of the property they have never sold any gypsum off of it; we have been asked to sell gypsum, but we have never sold it.

Mr. Togni, of Visalia, was over the property and saw the gypsum and asked if we would not sell him a carload of gypsum for fertilizer or land plaster, and I instructed our superintendent in the field to excavate enough to make a carload of thirty or forty or fifty tons, depending on the car, and he did so, and it was at a time when the roads became very heavy and it was thought unwise or we were unable to haul it out to the station in order to ship it. And when we consulted Mr. Togni after the roads were in condition; he advised us that the season had passed in which he wished to use it, and that he did not care for it, so we allowed the gypsum to remain on the ground and it is still there in the sacks, which are rotting. He offered us \$7 a ton for that gypsum as land plaster.

This proposition was in 1914. That is the same Mr. Togni who was one of the original locators of the Devil's Den locations. At one time he was a stockholder of the Devil's Den; I don't know about the Lost Hills. [987]

(Mr. Redding thereupon completes the statement and reading of the answer to the amended bill of

(Testimony of Roy A. Bishop.)

complaint, which was commenced in the forenoon session.)

Mr. REDDING.—We ask that this be used in affidavit form as an exhibit. It can be referred to out of the answer without the necessity of filing it at a certain time.

Mr. PIER.—This is the affidavit of George T. Cameron, which I served on you.

Mr. HALL.—Mr. Cameron is president of the defendant corporation?

Mr. PIER.—He is president of the Universal corporation.

Mr. REDDING.—Of the Lost Hills, I think.

Mr. PIER.—Yes. And Mr. Bishop is president of the Universal.

Mr. HALL.—When was that sworn to?

Mr. PIER.—This was sworn to on the 21st day of July, 1916.

(Whereupon Mr. Pier reads said affidavit, which is as follows:) [988]

**Defendant's Exhibit "E"—Affidavit of George T. Cameron on Motion for Receiver.**

State of California,  
City and County of San Francisco,—ss.

George T. Cameron, first being duly sworn, deposes and says:

My residence is the city and county of San Francisco, State of California. I am familiar with the Bill of Complaint filed by the Government in the above-entitled action, and I am very familiar with

the property involved in said action, namely, the northwest and southeast quarters of Section thirty (30), and all of Section thirty-two (32), township twenty-six (26) south, range twenty-one (21) east, Mount Diablo Base and Meridian.

I first became acquainted with these lands under the following circumstances: During the year 1910 my attention was called to the fact that oil development was under way in the Lost Hills territory, north of McKittrick and west of Wasco. I was engaged in oil business at the time and I visited the lands involved in this action early in the year 1911. I ascertained that Messrs. E. R. and B. B. Dudley, and J. D. Martin were drilling up this territory. They had three camps. One was on Section 18, one on Section 30 and the third on Section 32. I also saw houses on Section 28. Their headquarters were on the northwest quarter of Section 30. I met both Martin and the two Dudley brothers on Section 30 at the time of my visit, which was early in the year 1911. They took me over all the Lost Hills property, but particularly over the property involved in this action.

I saw and counted not less than fifteen drilling rigs. Some were standard and others were portable rigs of sufficient capacity to drill the wells where they were located, and which [989] rigs had, at that time, drilled producing wells. I saw one pumping at this time at the rate of 400 barrels a day. It was located on the northwest quarter of Section 30. This well was a little over 500 feet deep. I also saw rigs on the southeast of 30, on the northwest of 32,



northeast of 32, southeast of 32, and southwest of 32. My recollection is that the particular day that I first visited the property was on Sunday and while all these rigs were all operating, I noticed some of them were shut down on account of the day. There was a particular well which was in the course of being drilled about the center of the east half of Section 32, and which, at the time I was there, showed strong indications of oil and gas pressure. A few days later, after we closed the deal hereinafter mentioned, it came in as a gusher and produced at the rate of 4,000 barrels a day at the outset. This well was a little over 800 feet deep.

After having looked over this ground very carefully and ascertaining the amount of equipment that Messrs. Martin and Dudley had, and the way they were conducting their operations, and believing in the value of the territory, I entered into negotiations with Messrs. Martin and Dudley on behalf of myself and a number of associates, looking toward the acquisition of these properties. The result was that on or about April 21st, myself and associates bought out the stockholders of the Lost Hills Mining Company and also bought out the interests of Messrs. Martin and Dudley in said territory, as expressed in their several contracts which they had entered into with the Lost Hills Mining Company. We also bought out the stockholders of the Lake Shore Oil Company, which was a company formed which developed this property with Messrs. Martin and Dudley. In fact, myself and associates bought out everybody's interests in these companies and including the

particular lands in [990] question.

We paid a large sum of money for the same—in excess of six hundred thousand dollars. My associates placed me in control of the purchase and of the properties, and by the first of May, 1911, we took over the continuation of the development work and all of the active operations upon the properties in question. From that date down until the present, myself and associates, as the Lost Hills Mining Company, and also as the Universal Oil Company, have continuously, uninterruptedly and most diligently remained in possession of the lands in question and developed the oil bearing area thereof. We have expended upwards of one million dollars in addition to our purchase price in improvements. We have sunk upwards of —— wells.

When I, in the first instance, reported to my associates what I believed to be the value of the territory and stated to them that, in my opinion, its purchase would be a good investment, notwithstanding the distance from railroad transportation, and the difficulties of transportation from railroads to the territory, the distance from water and the general lack of material, and the absence of marketing facilities at that time, my associates and I agreed to undertake the investment. Before making the purchase, however, we had the best of counsel to ascertain what the condition of the title to these properties was at that time and would be in the future. We ascertained that the Lost Hills locators, who subsequently merged their locations into the Lost Hills Mining Company, had duly located these lands as placer

claims in the month of February, 1907; that they had gone into possession forthwith and that they and their successors had remained continuously in possession, down to the time that we contemplated taking over the properties. We saw the evidences of the original development work upon all of [991] these sections, including the northwest quarter and southeast quarter of Section 30 and all four quarters of Section 32. I saw, myself, the houses upon the southwest quarter of Section 18 which had been constructed by one Barrett in December, 1908, and the early spring of 1909.

When I inspected the property I saw the roads constructed by Barrett and Butts over the slough east of the property and extending from the main road south of the property up over Sections 32 and 30 in a southeasterly and northwesterly direction, and thence out on Section 19 and Section 18. A soon as we took over the properties, we continuously used those roads and kept them up in good condition. They were the only roads onto the property and Mr. Butts, who continued in the employ of the Lost Hills Company, being familiar with these roads, superintended keeping them up in good condition. I also personally saw the foundation trenches and ditches constructed by Mr. Butts and Mr. Barrett in the early spring of 1909 upon each one of the quarter sections involved in this suit, and upon which and in which foundation trenches the drilling rigs were to be established, and I saw and ascertained, as a fact, that it was on and in each of these foundation trenches and ditches that Messrs. Martin (and) Dud-

ley placed their rigs and utilized the preliminary development work of Messrs. Butts and Barrett.

Myself and associates were advised by competent legal advisers and counsel that these original locators and their successors, the Lost Hills Mining Company, were entitled, as a result of their location, possession and continued diligent industry to perfect their title, to these lands from the United States under their applications and to obtain patents therefrom and therefor.

Pursuant to the advice of counsel, and having proceeded [992] in the uttermost good faith and for large value paid, myself and associates almost immediately after taking over the possession and occupation of these lands, applied for patents covering the lands in controversy. Our application for patents not only included the lands in question, but also included the southeast quarter of Section 32-26-21.

The proceedings in the Land Office were conducted in conformity with law and the Land Office accepted in payment for these lands, the sum of Four Hundred Dollars (\$400) for each quarter section, on or about the 24th day of February, 1912. There was no contest in the Register and Receiver's office and after due publication there was no third person made any claim to the lands. Upon receiving our receipts for the money paid said money having been accepted by the said Register and Receiver on behalf of the Government of the United States, our applications for patents were duly forwarded to the General Land Office in Washington, and these applications for patents ever since have been pending before the Gen-



eral Land Office in Washington—with the exception of the southeast quarter of Section 32, patent to which has been duly issued in the year 1916 by the United States to the Lost Hills Mining Company.

In the fall of 1911, we entered into negotiations to dispose of our oil to the marketing pipe-line companies which were in operation through the San Joaquin Valley, and which did not have pipe-lines within many miles of this territory. After negotiations with these companies, we finally made a sale of a part of our output to the Associated Oil Company, who, before closing their agreement with us and building about twelve miles of pipe-line, required of us that we submit our abstracts of title and all other data to their legal department for the purpose of determining whether or not, in their opinion, we would receive [993] patents to our lands.

These matters were duly submitted to their legal department and were in every way approved by them, and a contract was entered into for the sale of our oil. This matter, and the decision of the Associated Oil Company's attorneys, confirming the views of our own attorneys, induced us to continue to develop the property on a very extensive basis. The Standard Oil Company purchased a large quantity of oil from us during this period after an investigation as to our title to this land by their counsel. The conclusions of those marketing companies and their counsel, as well as our own counsel, with reference to the stability of our title and our right to perfect the same, including the acceptance of the full purchase price by the Government, were accepted by myself



and associates as conclusive, and were all in furtherance of our own good faith and honesty of effort in the development of this territory.

GEO. T. CAMERON.

Subscribed and sworn to before me, this 21st day of July, 1916.

[Seal]

W. W. HEALEY,

Notary Public in and for the City and County of San Francisco, State of California. [994]

Mr. HALL.—Our objection as to the testimony being offered in good faith goes through to all this on the same ground as the others.

Mr. REDDING.—I desire to read the affidavit of James H. Butts, one of the locators. I understand that the original affidavit is on the way up here in the custody of Mr. Murphy.

Mr. HALL.—I don't know anything about it. It has not been exhibited to us. We have not been served with it.

Mr. REDDING.—This affidavit was subscribed and sworn to on the 7th day of April, 1915, and has been in the possession of the Land Department of the Government since that date.

Mr. HALL.—I want it distinctly understood that it is no part of any record transmitted to the Department of Justice. We have not even seen it and don't know anything about it.

The COURT.—It is an unusual way of trying a case to produce affidavits that have never been served on the counsel on the other side. This is no part of the record in this case, I understand.

Mr. REDDING.—It is a part of the Patent Office proceedings.

Mr. HALL.—We object to that. It is not. It may have been some affidavit filed with the Commissioner of the General Land Office or transmitted to him.

Mr. PIER.—I would state this; that under our stipulation with counsel the Land Office proceedings might be referred to, and I was under the impression and always understood that these affidavits were part of the proceedings, and it was not until about three days ago that I ascertained that they were not part of the land office proceedings. They were filed in the land office proceedings, but I believe under the land office procedure they do not consider them [995] as part of the record in the application for patent proceeding; but that I did not ascertain until I met Mr. Murphy here last Friday and ascertained that fact from him.

Mr. HALL.—All those affidavits in the land office proceedings are attached to the stipulation furnished by counsel.

Mr. REDDING.—I don't want to take any particular time in this matter, but in fairness to myself I desire to make this statement: I was with Mr. Hall, and he will agree with me, making a stipulation of the material to be submitted to your Honor from all sources, and we had proceeded to this point when I was called East. These matters were coming in in due course. They were affidavits well within the knowledge—not in the application proceeding, but in the Land Department. They were in Mr. Tallman's

possession under his request for further information regarding continuous industry, and we were offering them in that behalf. If we had not been interrupted in our proceeding before the Land Office in the trial of the issues pending before the Land Office, we would have had Mr. Butts called and his testimony taken. I was in the act of doing that with Mr. Murphy, on the other side, early this year. We had proceeded to some extent with the testimony of our witnesses when the Government in this suit brought the motion up for hearing and we had to stop the hearing in the Register and Receiver's Office and come before your Honor, so that I was embarrassed. I could not be in two forums at the same time.

The COURT.—There wasn't any reason why you should not serve them with the affidavits. You have had the affidavits in your possession for a year or a year and a half.

Mr. REDDING.—No. I was prepared to put them in the stipulation and they were not finished.

The COURT.—That was no reason why it could not be served. [996] This is a proceeding that never came to my knowledge before where I am asked to pass on a matter of affidavits brought in at the last minute when they have been in counsel's possession for a year or a year and a half without service on the other side.

Mr. REDDING.—If your Honor please, I had presumed, of course, that these affidavits which were filed in the Land Department were a part of the record in the Land Department and were apt to be in the possession of Mr. Hall. We were getting them

out *seriatim*. The fact that these affidavits were not a part of the record that Mr. Hall was bringing up to stipulate, was not within my knowledge. I supposed he was acquainted with them and we were to stipulate them in two or three weeks before.

Mr. HALL.—We went all over that stipulation and you furnished all that stipulation and your type-writer wrote them.

The COURT.—Proceed and read your affidavits.  
[997]

(Thereupon Mr. Redding offered and read in evidence the affidavit of James H. Butts, subscribed and sworn to on the 7th day of April, 1915, which is as follows:)

**Affidavit of James H. Butts.**

City and County of San Francisco,  
State of California.

James H. Butts, being duly sworn, deposes and says:

My name is James H. Butts. I am at present residing at Hanford, Kings County, California. I was one of the original locators of the NW.  $\frac{1}{4}$  of Section 30, T. 26 S., R. 21 E., M. D. B. & M., situate in the Lost Hills Mining district, county of Kern, which location was made on the thirteenth day of February, 1907, and known as the Lost Hills Placer Mining Claim. The location was recorded February 23, 1907.

I was one of the original locators of the NW.  $\frac{1}{4}$  of Section 32, T. 26 S., R. 21 E., M. D. B. & M., which location was made on the fourteenth day of February,

1907, known as the Petroleum Placer Mining Claim, and recorded February 23, 1907.

I was one of the original locators of the SW.  $\frac{1}{4}$  of Section 32, T. 26 S., R. 21 E., M. D. B. & M., located February 14, 1907, and recorded Feb. 23, 1907, known as the Judge Placer Mining Co.

I know Charles W. Barrett, who is at present living in San Jose, California, and I am quite familiar with the contract which he entered into on the nineteenth day of December, 1908, between himself and the various locators on Sections 30 and 32 in township 26 S. Range 21 E., M. D. B. & M., and also on other adjoining sections in the Lost Hills territory.

I am also familiar with the fact that this contract was recorded on March 16, 1909, in the records of Kern County, California.

Under the terms of this contract Mr. Barrett was to erect [998] standard drilling and rotary rigs and outfits, with all necessary tools and appliances, on the various quarters of Sections 30 and 32, and also on the other quarters of sections mentioned in his contract, being adjacent territory to Sections 30 and 32.

I was living in Hanford in the year 1908, and after this contract was entered into between Barrett and the locators, Barrett came to see me at Hanford and engaged me to assist him in developing these properties. During the month of December I, with him, went to Sections 30 and 32 and to other sections. I also engaged 27 men and 16 horses (I believe these numbers are correct) and Mr. Barrett and myself, with these men proceeded to get to work. Mr. Bar-



rett went to Bakersfield and other towns and bought lumber with which to erect houses and for the standard rig. I was superintending the job and our men and horses brought this lumber from Wasco out across the plains and up on to the Lost Hills territory. I personally assisted in building a bunk-house, cook-house and barn and outhouses on Section 18. These houses were built and placed there as a headquarters and were to be used and were used thereafter in the development of Sections 30 and 32, and were necessary part of the drilling equipment used later on, on Sections 30 and 32.

We had great difficulty in transporting this lumber and the various equipment from Wasco out to these sections of land. This was in the winter months and it was a very severe winter. I had to put our men to work building a road over the slough which lies east of these sections of land, and which slough was filled with water. We had to dyke up a road-way about one-half mile long or more, from the high ground east of the slough across the slough to the high ground west of the slough, and over this dyked road was the only way we could get on to the property from Wasco, from where we had received [999] our lumber from the railroad. Over across the slough we had to build three miles of roads up and on to Sections 30 and 32 and on to Section 18. There were no roads on these lands. The territory was rough, soggy and covered almost solid with sagebrush, with heavy declivities and small canyons throughout. The roads that we built over the slough and on to Sections 30 and 32 and the other sections

were from that time, and have been ever since, used by the locators and their successors, the Lost Hills Mining Co., as the only means of transporting material for the developing of these properties, and they are still being used to this day. From time to time, they have of course been built up over and over again.

In addition to building these houses and constructing these roads, and bringing in the lumber for the rigs, we used our 27 men and 16 horses in doing the necessary assessment work upon Sections 30 and 32 and the other sections, in order to hold our locations against trespassers. The record of our assessment work was duly filed in the County Recorder's office, Kern County.

The amount of money which Mr. Barrett spent, and which all practically passed through my hands in building these roads and constructing these houses and bringing in the lumber, during the winter of 1908 and the early months of 1909, came to \$2,700.00, to the best of my knowledge. I know that these figures are about correct. The cabins and roads built by the expenditures of these moneys were all utilized by Messrs. Dudley and Martin when they continued the development of the properties and brought in the various wells on Sections 30 and 32 and the other sections.

I knew that Mr. Barrett's contract would expire by July first, 1909, unless he continued his development work and got busy drilling by that time. Mr. Barrett and I had had many conversations about the big undertaking which he had entered into and [1000] he realized that it would require more money

than he had figured on, and although he had spent about \$3,000.00, he saw that he would have to get a great many more thousand dollars right away. Early in the spring of 1909 it became apparent to me that Barrett might fall down on his contract and I so stated to Judge Wallace and other of our locators.

By March, 1909, all of us locators organized ourselves into the Lost Hills Mining Co. This was about the thirteenth day of March, 1909, I can refresh my mind regarding the incorporation by reference to the original Minute-book of the Lost Hills Mining Co., which I have before me. I was elected president of the company and Mr. Lindemann became secretary. We all took shares in this company in proportion to our locations.

I notice on page 17 of the Minute-book of the Lost Hills Mining Co., the following resolution, passed at the special meeting of the Board of Directors of the company on July 2, 1909:

“Resolved, that the contract heretofore entered into by the predecessors in interest of this company with C. W. Barrett for the development of the lands now owned by this company in what is known as the Lost Hills in Kern County, and which contract was made in the year 1908, did by failure of said C. W. Barrett to comply with the provisions of said contract, terminate and end on July 2nd, 1909; and that said Barrett has no interest in any of said lands by virtue of the said contract.”

This resolution was passed the very day after the

Barrett contract terminated. The company, composed of the locators, did not wish to delay in their development work one single day and therefore this resolution was passed. However, I know as a fact that prior to the termination of the Barrett contract, and realizing that he probably could not continue his development work or comply with the provisions of the contract, I was instructed by the locators to, and also of my own volition I did, proceed to get into communication [1001] with some good drilling men. I recall that some time, probably in June, 1909, Mr. Orlando Barton came to see me in Hanford and said to me that Martin and Dudley were in town; that they were excellent oil drilling men (which fact I knew) and that they were about to enter into some contract with other parties to drill up some territory in what is known as the Devil's Den country, northwest of the Lost Hills territory. Barton came to my house in Hanford and said that Martin and Dudley were in town and that he thought I could close up with them and have them agree to drill up the Lost Hills territory instead of the other territory. On that very day Barton and I found Dudley and Martin in Hanford and I at once proceeded to get busy with them, looking toward an agreement on their part with the Lost Hills Mining Co., of which I was president, by which they would drill up Sections 30 and 32 and the other sections.

I explained to them that we had taken over all of Barrett's houses and improvements and that there were roads now leading over the property, all of which they could have the benefit of.



I know that within a few days after this conference between Martin and Dudley on the one side and Barton and myself on the other, that Barton went to the Lost Hills territory with Martin and Dudley. I remember seeing Martin and Dudley's automobile in Hanford, and in reading Mr. Orlando Barton's affidavit of March 30, 1915, wherein he says that he went out to the Lost Hills with Martin and Dudley in their machine in July, 1909, it fits in with my recollection that they must have gone together almost immediately from Hanford to the Lost Hills.

After Martin and Dudley and Barton had gone out to the Lost Hills territory they returned to Visalia and they called me up on the telephone and asked me to come to Visalia from Hanford. I did so. This could only have been a few days after our interview [1002] mentioned in Hanford. I, as president of the Lost Hills Mining Co., met Dudley and Martin in Visalia and we discussed the terms of the proposed contract with them. This was in July, 1909, and right after the Barrett contract had terminated. We practically agreed upon our terms by which Martin & Dudley were to drill up the territory. There were some minor details to be arranged and I see by the records of the Lost Hills Mining Co. Minute-book that the formal contract between Martin and Dudley and the Lost Hills Mining Co., was not signed in writing until October 27, 1909. Although this is true, the fact is quite clear in my mind that the contract between them and ourselves was practically agreed upon quite a time prior to the date of its actual signing. I know that this



must be so, because Martin and Dudley went over to Sections 30 and 32 and 18 and other sections belonging to the Lost Hills Mining Co., before the end of the summer of 1909 and they took out with them carpenters and other employees and put them to work. You see the trade was made and agreed upon out of our conferences in Visalia and Hanford and Martin and Dudley were getting ready to drill just as soon as they could get all of their material in shape.

I have had considerable experience in drilling oil wells and developing oil bearing territory. Before we can actually commence to drill in a new territory, a great deal of preliminary work has to be done. Our plant has to be established; our houses built for tools, workmen, horses and for living purposes. Our boilers have to be brought in and a supply of water established. All of these things are as much a part of actual drilling as a string of tools and casings are. You cannot work your tools without a boiler and steam in the boiler; you cannot drill without casing and you cannot handle any of these tools without houses in which to keep your men and barns in which to keep your horses. [1003] All of these preliminary things were in active building, construction and operation throughout the summer of 1909 and leading up to the real commencement of drilling operations later in the year.

I was on these properties off and on all during the summer of 1909 and I have been, with my son, actively engaged on the properties ever since that time. My son and I built all of the tanks on all of the properties of the Lost Hills Mining Co. and I am still en-

gaged attending to the plumbing and tank business of the properties. We have our shops, at the present, in the Lost Hills Townsite, lying just southeast of these properties and we are still engaged in doing business with the Lost Hills Mining Co.

J. H. BUTTS.

Subscribed and sworn to before me this Seventh day of April, 1915.

[Seal]

W. W. HEALEY,  
Notary Public in and for the City and County of San Francisco, State of California. [1004]

Mr. REDDING.—This was the material that I was obtaining from the Land Office and would have had in the stipulation if I had not been called east. I do not want to be misunderstood about that. That was one of the reasons we made the stipulation waiving service for five days. Possibly I should have been informed that these affidavits are not a part of the patent proceedings in their original shape. I had no distinction in my mind between affidavits filed in furtherance of our rights before the Land Department and material filed on the application itself.

Mr. HALL.—If counsel had that situation in mind, he did not express it to me.

Mr. REDDING.—If I had not gone east they would have all gone in in the two or three days we were together. [1005]

(Thereupon Mr. Redding offered and read in evidence the affidavit of J. D. Martin, which affidavit is as follows:)

**Affidavit of J. D. Martin.**

J. D. MARTIN, being duly sworn, deposes and says:

My name is J. D. Martin. My present address is 1116 Crocker Building, San Francisco, California.

During the years 1908, 1909 and 1910, I was engaged in the business of drilling oil wells down in the San Joaquin Valley, particularly in the counties of Kern and Kings and I had as partners, E. R. Dudley and E. B. Dudley, the firm being known as Martin & Dudley.

During the fall of 1908 and the spring of 1909 we had been drilling out in what is known as the Devil's Den Country, which lies north and west of the Lost Hills territory, about ten or twelve miles. (This should not be confused with the NE.  $\frac{1}{4}$  of 30-26-21 which is now known as the Devil's Den Consolidated.) During the spring of 1909, I met Mr. O. D. Barton and in fact I had been with him out in this Devil's Den country, as he was interested therein. He apparently had reason to believe that Charles W. Barrett would not be able to fulfill his contract with reference to drilling up the Sections 30, 32 and 18, and the other sections in the Lost Hills territory, and he was anxious that we should undertake this job in case Barrett fell down. I recall meeting Mr. Barton and Mr. J. H. Butts in the town of Hanford in the early summer of 1909. If my memory serves me correctly, it was some time in the latter part of June, Both Mr. Butts and Mr. Barton explained to me that Mr. Barrett had failed to raise the required money

to go on with this development work and Mr. Butts told me that he was president of the Lost Hills Mining Co., which had been formed in the spring, taking over these Lost Hills locations. He and Mr. Barton asked me [1006] and one of the Dudleys (Ed, I think) who was with me at the time, if we would enter into a contract to drill up the sections embraced in the Lost Hills Mining Co.'s locations. I recall that Barton had talked about the Lost Hills territory to me even before this meeting at Hanford and at that time, of course, I did not know the conditions of the Barrett contract, but apparently Barton had reason to believe that Barrett would not be able to come through.

I had also been on the ground of the Lost Hills locations prior to this meeting at Hanford. I had gone over these sections on my trips from Visalia out to the Devil's Den territory, and I recall that prior to this meeting at Hanford, as I have said before, Mr. Barton had approached us with reference to drilling up the territory and he showed great faith in its values.

After we had visited Sections 30, 32, 18 and the other sections of land embraced in the Lost Hills Mining Co., and at the end of June or first of July, 1909, we returned to Visalia and I recall that Mr. Butts came to Visalia at or about this time. We had many conferences with reference to the terms upon which we (Martin & Dudley) were to agree to take over Barrett's improvements and drill up the territory under the new contract. It is impossible for me to state just when it was that all these terms were

agreed upon. I know that I went out to this territory several times during the summer of 1909. Sometimes with Mr. Barton and sometimes with other directors and stockholders of the Lost Hills Mining Co., and sometimes with my partners.

In the course of some of my trips out to the Lost Hills country, in the summer of 1909, I took with me several gentlemen who were proposing to organize themselves into a company and to put up some money to aid us in the expenses of drilling. This resulted in the formation of the Lake Shore Oil Co. later in the year. It [1007] was not the terms of the contract between the Lost Hills Mining Co. and Martin and Dudley which were hard to agree upon. They were quite well understood, but it was the necessity of forming an inside corporation to put up some money for us (Martin & Dudley), to aid us in our drilling.

I remember very well the roads leading onto the Lost Hills sections and also the roads on the sections themselves, all of which Barrett and the men under him and Butts had constructed during the winter of 1908 and 1909 and the early part of 1909. The slough lies about six miles east of Sections 30 and 32 and I had seen this slough filled with water in the winter of 1908 and 1909 and have seen it continuously ever since that time.

I saw where the dyke had been made across this slough which, by reference to the township map would be on sections 31 and 32, T. 26 S., R 22 E, and I crossed over this dyke. Of course I did not see Barrett and Butts building these roads and therefore I cannot



swear that they did so, but they so told me and I saw the roads there and used them myself. In leaving the slough and working up on to Sections 30 and 32 and 18 and the other sections embraced in the Lost Hills Mining Co., I used the roads which Barrett and Butts had built and I saw where they had built them by cleaning out the sagebrush and cutting the way through the canyons and declivities and building up and leveling roadways. We used these roads continuously over Sections 30 and 32 and the other sections all the time during our drilling operations and all of the preparatory work leading to drilling and in the bringing in of our supplies, outfit and material.

I cannot recall what date it was that I took men out there and put them to work. We went out there in the summer of 1909 and saw the houses that Mr. Butts, Mr. Barton and Mr. Barrett had built [1008] on Section 18. These were a living-house, tool-house and barn. Mr. Barton had a stove in the living-house and bunks, and we took our meals in this house. I afterwards utilized these houses when we got busy and commenced to drill up the territory. These houses were our first headquarters and the horses which were used were kept in the barn, and we cooked in the living-house.

As I have said before, the formal signing of the contract of October 27, 1909, between the Lost Hills Mining Co. and Martin & Dudley was not the matter which was bothering us. We knew pretty well what the conditions of our going to work were, but it was the question of interesting capital in what became the Lakeshore Oil Co., which was the important thing.

I have read Mr. Orlando Barton's affidavit of March 30, 1915, and also the affidavit of Mr. James H. Butts of April 7, 1915, and I note that they say that Martin & Dudley had carpenters or some employees out in the Lost Hills territory prior to October, 1909. This may be, and undoubtedly is true, but on what exact date we took our first men out there to get busy, I cannot say.

We (Martin & Dudley) had made up our minds to go ahead with the business of drilling up Section 30 and 32 and the other sections, long before the actual signing of the contract. That is fixed and clear in my mind, and we were out there continuously.

My former affidavit of October 13, 1914, sworn to before C. D. Hamel, Special Agent, G. L. O., sets forth the chief expenditures of money and the purchase of material which we were put to, from the time we started in and down to the summer of 1910. From then on, our expenditures became continuously heavier. I can recall and know, as a fact and so state that up to the time we sold out, which was in the summer of 1911, I had expended, on behalf of Martin & Dudley, the sum of One Hundred and Fifty Thousand Dollars [1009] (\$150,000), in round numbers. All of this money was spent under the direction of myself, personally, and the direction of my partners, in the development of this territory. The greater portion of it was spent in developing and sinking wells leading to the discovery of oil on Sections 30 and 32 and the adjacent sections. This money to which I have just referred is the money raised by the firm of Martin & Dudley, and I know

as a fact that in addition to these sums, the Lake Shore Oil Co. spent in the neighborhood of Twenty Thousand Dollars (\$20,000) in developing and sinking wells leading to the discovery of oil on Section 30 and also in development work on Section 18.

I have been shown a map of the Lost Hills oil fields, compiled by J. R. Thompson, Civil Engineer, Bakersfield, Kern County, September 19, 1913. The old county road running across the slough over Sections thirty-one (31) and thirty-two (32), T. 26 S., R. 21 E., and thence due west along the southern boundary of T. 26 S., R. 21 E., and thence due west, is marked thereon. I also note that the roadway from this county road on the southern boundary of T. 26 S., R. 21 E. leaves the county road and goes northwest over Sections thirty-two (32) and thirty (30) in T. 26 S., R. 21 E. It traverses Section thirty-two (32) from the southeast corner thereof over the Section in a northwesterly direction to the northwest corner of Section thirty-two (32); thence on to Section thirty (30) at the southeastern corner thereof; thence over Section thirty (30) to the northwest corner thereof. I also note a turn in the road in the northwestern quarter ( $\frac{1}{4}$ ) of Section thirty (30) going up in a northerly and easterly direction to the top of Section thirty (30), and thence on to Section nineteen (19). I saw and used this road which crosses Sections thirty-two (32) and thirty (30), as above-described, when I went out to the Lost Hills country in the [1010] summer of 1909, and I was informed that this was one of the roads that Mr. Barrett had made. It is also the road that

we used in hauling lumber, rig material, etc., in developing these sections.

I also note on this map a road which leaves the country road on the southern boundary of T. 26 S., R. 21 E., and traverses the west one-half ( $W.1\frac{1}{2}$ ) of Section thirty-five (35); thence across Sections twenty-eight (28) and twenty-nine (29) into the northern boundary of Section thirty (30). We also used this road when we commenced our development work; but at that time this last-named road deflected on Section twenty-seven (27) and ran down to the county road on the northern boundary of township 26 S., range 21 E., through Section thirty-four (34). This is also one of the roads which I was informed Mr. Barrett had made. The reason why the present map shows this last road crossing thirty-five (35) instead of Section thirty-four (34), is that some person located a desert right on part of Section thirty-four (34), and had fenced his location. That compelled this road to come out further east and south and across a portion of thirty-five (35) to reach the county road; but at the beginning this road ran up over Section thirty-four as I have stated above.

I would like to have this map to which I am referring attached to my affidavit, so as to make my statement clear.

J. D. MARTIN.

Subscribed and sworn to before me this 17th day of April, 1915.

[Seal]

W. W. HEALEY,

Notary Public in and for the City and County of San Francisco, State of California. [1011]



Mr. REDDING.—There is a supplemental affidavit of Charles W. Barrett with reference to this map. The Government called for some of these affidavits in the course of our being together, and I think you called for the Barrett affidavit, one of them which is here, and here also is a supplemental affidavit of Mr. Barrett.

Mr. HALL.—I don't know that we called for the Barrett affidavit, did we?

Mr. REDDING.—Yes, and I gave you copies of it.

Mr. HALL.—Have you my acknowledgment of service for that copy?

Mr. REDDING.—No. You asked me for it in my office and I am quite sure I gave it to you.

Mr. PIER.—He is asking about the direct contracts.

Mr. REDDING.—I beg your pardon. I thought you asked for the Barrett affidavit. But it is here in the land office proceedings.

Mr. HALL.—I make the same objection. [1012]

(Thereupon Mr. Redding offered and read in evidence the supplemental affidavit of Charles W. Barrett, which is as follows:)

**Affidavit of Charles W. Barrett.**

Charles W. Barrett, being duly sworn, deposes and says: My attention has been called to a map of the Lost Hills and Devil's Den Oil Fields, compiled by J. R. Thornton, Civil Engineer, Bakersfield, Kern County, California, September, 1913.

This is the same map referred to in the affidavit of J. D. Martin, dated April 17, 1915, and marked as an exhibit to said affidavit.



I have read Mr. Martin's affidavit and can verify, from my own knowledge, his statement with reference to the road across the slough, over Sections 31 and 32, T. 26 S. R. 22 E. That is to say, we brought our lumber and provisions onto the Lost Hills territory, up on to Sections 32, 30 and 18 from Wasco, and had to cross the road over the slough on Sections 31 and 32, 26 S., 22 E., and we had to dyke up this road, owing to the heavy winter. Mr. Butts had charge of this work, under my instructions and it was considerable of a job. The old county road runs along the southern boundary line of T. 26 S., 21 and 22 E.

I see on this map a road which is marked as leaving the S. E. corner of Section 32, 26 S., 21 E., and traversing this section in a northwesterly direction and likewise crossing section 30 from its S. E. corner to its N. W. corner, and turning thence and going on Section 19. We had to construct this road in order to get out materials and provisions and equipment up on to these sections. I cannot, of course, verify exactly the markings on this map, but the road now thereon marked is undoubtedly the road that I first constructed and had Butts construct, leading up on to these sections, because there was no road there when we first commenced to get busy [1013] on the property.

Butts and I had between twenty-five and thirty men at work for us and nearly two dozen horses, and these men and horses were used in building this road, and also the other road which is marked in T. 26 S., 21 E. and that runs down in a general S. E. direction

over sections 30, 29, 28, 27 and 35.

As I now recall it, this second road turned down south on Section 34 at that time, and as we constructed it.

I note that the first road that I have mentioned continues now, on this map, down through T. 27 S., 21 E. This continuation has undoubtedly been occasioned by the fact that they have discovered oil on Sections 4-9 and 10 in T. 27 S., 21 E. and they would naturally continue the road as it follows the anticline. This map, to which I am referring, is undoubtedly correctly drawn by the surveyor and I would like to attach it to this supplemental affidavit as an exhibit.

The country over which these two roads were built is not mountainous, but it is chunky and hilly, with small arroyos and little canyons that are covered with sagebrush and we had to cut the sagebrush out and level up the roads in order to make them passable for our heavy teaming.

I have read Mr. J. H. Butts' affidavit, dated April 7, 1915, and can verify from my own knowledge, his statements regarding the difficulty in transporting the lumber and equipment from Wasco out to these sections of land, and also all that he says about putting our men to work building the roads and dyking up the roadway over the slough. I can also verify the fact that we had to build three miles of roads up and on to sections 30 and 32 and section 18, which are the roads marked on the map above referred to in this affidavit, and attached thereto.

C. W. BARRETT. [1014]

Subscribed and sworn to before me this 6th day of May, 1913.

[Seal]

W. W. HEALEY,  
Notary Public in and for the City and County of  
San Francisco, State of California.

(A map was attached to the foregoing affidavit of Charles W. Barrett, which was part of said affidavit, and a duplicate of the same was introduced in evidence in Suit A-52 Equity, United States v. Lost Hills Mining Company, filed August 25, 1916, William M. Van Dyke, by T. F. Green, Deputy.) [1015]

Mr. REDDING.—I desire to read the affidavit of Orlando D. Barton, filed in the Land Office proceeding, and sworn to on the 30th day of March, 1915.

Mr. HALL.—We object to that for the same reason. We are still objecting to this term "Land Office proceedings."

The COURT.—Where were these affidavits filed?

Mr. REDDING.—They were filed with the Chief of the Field Division and forwarded by him to the Commissioner of the General Land Office.

Mr. HALL.—Were not they sent directly to the Commissioner?

Mr. REDDING.—Through the Chief of the Field Division. I can clarify this in a few words. There was no contest or charges brought against these locators until late in the year 1915. I went on myself and laid before the Commissioner the result of our applications for patents and asked for the patents to issue. He asked me to give him further data. I don't want to state this as evidence before you unless

it may be relevant to do so. But the Commissioner said, "Mr. Redding, I want to give you patents for these Lost Hills applications. I am more than satisfied of the good faith of the locators and the honesty of their efforts. I want further affidavits regarding their continuous industry. Will you furnish them for me?" I said, "With great pleasure." So I came back and went down in the field, and some of the affidavits I obtained were sworn to before Mr. Hamel, who was then making investigations of the conditions down there, and some of them were sworn to before notaries. And at the time he wrote me a letter and said, "Kindly sent them through the Field Division with a copy so that he can keep a copy and send the original to me." And I sent on a number of affidavits which I am proceeding to read now.

Mr. HALL.—When was this conversation with the Commissioner? [1016]

Mr. REDDING.—Last May, 1915.

Mr. HALL.—The affidavits were in April.

Mr. REDDING.—Then it was before that. It was before these affidavits that I had these conversations, whatever the date was.

Mr. DUNNE.—Is there anything on the affidavit to indicate when they were filed with the Land Department of the Government?

Mr. REDDING.—Here is a letter of July 6, 1915, from me to Mr. Tallman referring to the application for patents covering these lands. (Reads said letter.) I recall that he wrote me in that way. This was all before Mr. Tallman and when we were stipulating the record material to convenience you and

myself, it never occurred to me that these things were in a different division. I really supposed when I came back and came into court last Wednesday that all of this was together. I had no other idea and I don't want to have any suggestion made that I am trying to read some new material without the other side having notice of it. [1017]

(Thereupon Mr. Redding offered and read in evidence the affidavit of Orlando D. Barton, sworn to on the 30th day of March, 1915, which said affidavit is as follows:)

**Affidavit of Orlando D. Barton.**

Visalia, California, March 30, 1915.

Orlando D. Barton, being duly sworn, deposes and says:

I was one of the original locators of the Lost Hills Territory, including Sections 30 and 32, 26 S. Range 21 E. M. D. M., Kern County, California. I have read the affidavit of Charles W. Barrett, sworn to on March 18, 1915, before W. W. Healey, Notary, S. F., Cal., and I know from my own knowledge that what he states therein with reference to his building of houses, roads, etc., on these Sections of land is true. I saw the lumber for the rigs which he had bought, on the land. I was on Sections 30, 32, 28, 20 and 18 several times during the winter of 1908, 1909, and was in the cabins and barn which he had built on 18 during that winter. I saw and went over the roads which he had built from the county road lying south, up to and over Sections 32 and 30 and thence to 18. He told me he had built these roads and I knew he had because they were not there when



I was on the Sections a little while before. Barrett and I went over all of these lands on foot together and I pointed out to him where I believed the anticline showed, from Section 30, S, E, through Section 32. We agree that we would put our first rig on Section 30.

I know as a fact that Barrett had working on these sections during this winter and into the spring of 1909, 27 men and 20 horses. They were engaged in hauling lumber, building houses, making roads, bringing in water, doing assessment work and exploring work. There had been a flood in the slough to the east a year or so before, and Barrett had to build up the road over [1018] the slough that winter. I saw and went over the road where he had built it up. I represented all of the locators when I was there with Barrett. They had signed a contract with him and he had until July, 1909, to bring in or get sinking his first well. I saw him during the spring of 1909 at Hanford, Visalia, and other places, trying to raise more money. It was a bigger job than he anticipated but I saw him hustling at it. When he failed to come through, the Lost Hills Mining Co. (which had taken over the locations in the spring of 1909) instructed me at once to get busy with some good drillers.

I knew that Ed Dudley was a good driller—of Martin & Dudley. I went out to the Lost Hills with both of them in their machine in July, 1909. I showed them over all the sections and where the indications of oil were on the hill, along the anticline, both on Sections 30 and 32. I went with them

from Visalia to the Lost Hills at least three times during the summer of 1909. We eat our meals in the cabins which Barrett had built and when Martin and Dudley commenced work themselves later in the year, they used these cabins as their headquarters, and brought in their material over the roads that Barrett and Butts had built.

The contract between Martin & Dudley was signed on Oct. 27th by them and our Company but its terms were agreed to some time before that verbally. It was toward the end of September that after our return from a trip to the land we had agreed all around to go ahead. I was gratified because I knew they were good responsible drillers. I can refresh my mind now by reference to my note-book. I find that I was with them on September the second, 1909, on the sections. It must be then that we were getting together at that time for I was not out there again until I saw them there with their carpenter and builders showing them where to go to work to put up [1019] more buildings. I am sure that this was before October 27, 1909. I know this is so because other men were out there trying to get the contract. I remember reporting to Judge Wallace that Martin & Dudley were showing good faith and were getting to work.

ORLANDO D. BARTON.

Subscribed and sworn to before me this 30th day of March, 1915.

E. C. FARNSWORTH,  
Notary Public in and for the City of Visalia, State  
of California. [1020]

(During the reading of said affidavit the following took place:)

Mr. REDDING.—We were in the midst of trying these Visalia cases, or, rather, we were—

The COURT.—I understand you, but I was wondering how that proceeding had any bearing on the one before the Court other than the point made by Mr. Dunne that it is an absolute bar.

Mr. REDDING.—The extraordinary part of the proceeding is that the Government in this suit now takes out of the land office proceedings which are partly finished, and brings them in here as its case.

The COURT.—On the ground of fraud?

Mr. REDDING.—Not in the Lost Hills case.

Mr. HALL.—There is no allegation against the *bona fides* of the location in that case.

Mr. REDDING.—In the Devil's Den there is an allegation that they used a subterfuge in making locations for the corporation.

(Thereupon Mr. Redding offered and read in evidence the affidavit of R. A. Morton, in the case of United States vs. Lost Hills Mining Co., A-52, which said affidavit is as follows:) [1021]

### **Affidavit of R. A. Morton.**

State of California,  
City and County of San Francisco,—ss.

R. A. Morton, being first duly sworn, deposes and says:

I am the duly appointed secretary of two of the defendants in the above-entitled action, namely, the Lost Hills Mining Company, a corporation, and the

Universal Oil Company, a corporation.

Herewith attached to this affidavit, and made a part of the same, and marked exhibits "A," "B," "C," "D" and "E," respectively, are duplicate originals of the applications of the Lost Hills Mining Company, one of the above-named defendants, dated March 30th, 1916, for an agreement under the Act of August 25, 1914, covering and embracing the following described property:

NW.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M., Kern County Cal. (embraced in Exhibit "A");

SE.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M., Kern County, Cal. (embraced in Exhibit "B");

NE.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern County, Cal. (embraced in Exhibit "C");

SW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern County, Cal., (embraced in Exhibit "D");

NW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern County, Cal. (embraced in Exhibit "E");

said lands being the lands embraced in the above-entitled action.

Attached to said exhibits "A," "B," "C," "D" and "E," and made a part thereof, are certified copies of the resolution of the Board of Directors of the Lost Hills Mining Company, passed on the 26th day of March, 1916, authorizing the president and secretary to execute the said agreements for and on behalf of the Lost Hills Mining Company; and also attached thereto are certified copies of the resolution passed by the Board of Directors of the Universal Oil Company at a meeting held on the 29th day of March, 1916, consenting and agreeing to the

applications of the Lost Hills Mining Company for said leasing agreement; and also attached to said exhibits are all the other necessary and requisite papers, [1022] documents, etc., called for under the printed form approved by the Interior Department on November 21, 1914, with reference to applications for agreements under the Act of August 25, 1914 (public 187), which said printed forms have been used by said companies and by myself, as secretary thereof in said applications.

I furthermore declare and state under oath that pursuant to the said resolutions of said companies and pursuant to the instructions set forth in said exhibits hereto attached and marked exhibits "A," "B," "C," "D" and "E," the said applications were duly filed with the Register and Receiver of the land office at Visalia, California, on or about the 8th day of April, 1916, and that thereupon the said applications were forthwith transmitted by special letter to the Commissioner of the General Land Office; and thereafter, and on or about the 23d day of April, 1916, the said Commissioner of the General Land Office did forward and deliver to the Honorable, the Secretary of the Interior, all of the within named applications as embraced in exhibits "A," "B," "C," "D" and "E."

I furthermore declare and state, upon information and belief, that at the time said applications by said defendants for leasing agreements, as hereinabove set forth, were made, filed and forwarded and presented to the Honorable, the Secretary of the Interior, there was no application or motion pending



before this Honorable Court on behalf of the plaintiff in this action for a Receiver of any of the properties involved in this action; that as I am informed and believe, the notice for an application to this Honorable Court for the appointment of a Receiver, was served by the plaintiff upon the defendants in this action, on or about the 12th day of June, 1916, which last date was the first *formal* notice on the part of the plaintiff that it intended to apply for a [1023] Receiver in the above-entitled action.

R. A. MORTON.

Subscribed and sworn to before me this 18th day  
of July, 1916.

[Seal] W. W. HEALY,  
Notary Public in and for the City and County of San  
Francisco, State of California. [1024]

## EXHIBIT "A."

4-010

Approved by the Department  
November 21, 1914.

APPLICATION FOR AGREEMENT UNDER  
THE ACT OF AUGUST 25, 1914 (PUBLIC  
187).

San Francisco, California, March 30th, 1916.

The undersigned LOST HILLS MINING COM-  
(Name of applicant.)

PANY, hereby applies for an agreement or contract with the Secretary of the Interior for the disposition of oil and gas from the lands hereinafter described, as authorized under the act of Congress, approved August 25, 1914 (Public 187). In support of said

application this applicant respectfully represents as follows, which representations the said applicant hereby warrants to be true and correct.

1. That it is the identical person or corporation,  
(He or it.)

who under date of November 18th, 1911, filed in the local land office at Visalia, State of California, mineral application, serial number 03431 for the Lost Hills Placer Oil Mining placer claim, embracing the Northwest One-quarter of Section 30, Township 26 South, Range 21 East, in the Visalia land district, State of California.

2. That the applicant desires the contract or agreement herein applied for to embrace the following described lands:

The Northwest One-quarter of Section 30, Township 26 South, Range 21 East, being the Lost Hills Placer Oil Mining Claim.

3. That oil or gas was discovered, or was being produced, upon the lands covered by this application on or before August 25, 1914, and drilling operations were in actual progress on October 3, 1910.

(Strike out whichever is not appropriate.)

4. That, so far as known to applicant, the following enumerated persons or corporations are the only ones claiming any right, title, or interest in and to said lands or any portion thereof, or to the oil or gas produced therefrom, and their respective interests are herein set forth.

Name.

Interest.

Lost Hills Mining Company, holder of legal title and applicant for patent and Universal Oil Com-

pany operating said property under resolution of the Board of Directors of Lost Hills Mining Company dated January 17th, 1912, certified copy of said resolution hereto attached.

(A fuller statement of interest may be attached if desired.)

5. That the number of wells being operated on the land covered by this application for an agreement or contract is Three and the approximate daily gross production of each well at the present time is as follows: No. 1-6 Bbls.; No. 5-16 Bbls.; No. 12-11 Bbls.

6. That contracts for the sale and purchase of the oil and gas products arising from the operations to be carried on under the agreement herein applied for, on the lands covered thereby, have been entered into with the following and no others; Associated Oil Company, a corporation organized under the laws of California. Duly authenticated copy of each of said contracts is hereto attached and made a part of this application.

7. That the portion of the gross proceeds arising from the sale of the oil and gas which is to be placed in escrow during the life of the contract or agreement herein applied for, will be deposited in the Crocker National Bank of S. F. There is hereto

(Must be a national bank.)

attached a statement by the Assistant Cashier of said  
(Officer)

bank which sets forth the rate of interest to be allowed on said escrow deposit and the method by which said interest is to be computed.

8. That there are hereto attached duly executed waivers by each and every one of the parties claiming an interest as specified in paragraph four, releasing the United States from any claim or demand whatsoever arising from the execution of this agreement by the Secretary of the Interior.

LOST HILLS MINING COMPANY, (Seal)

(Name of applicant.)

By GEO. T. CAMERON,  
President,

By R. A. MORTON,  
Secretary.

(Address.)

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY,

By R. N. BISHOP,  
Pres.

[Seal] By R. A. MORTON,  
Sec. [1025]

(Corporate seal if corporation be the applicant.)

George T. Cameron, being first duly sworn, deposes and says he is the President of the Lost Hills Mining Company, named in the foregoing application; that he has read the foregoing application and knows the contents thereof and that the facts therein stated are true according to the best of his knowledge, information, and belief.

GEORGE T. CAMERON.

Subscribed and sworn to before me this —— day  
of ——.

\_\_\_\_\_,  
Notary Public.

### INSTRUCTIONS.

1. This application can be made and the contract executed only by an applicant for mineral patent for oil or gas lands embraced in an order of withdrawal.

2. The application and the contract must be executed in triplicate and filed in the local land office in the district in which the lands are situated. One set only of the exhibits accompanying the application need be authenticated, but the others must be true copies.

3. In the option of the applicant, the application and contract may cover all the land embraced in the application for patent or one or more legal subdivisions thereof.

4. The form of waiver provided for in section 8 of the application must be absolute and unconditional, and if by a corporation, proper evidence of authority for the execution of such instrument must be attached.

5. Immediately upon filing of the application and contract, properly executed, the Register and Receiver will assign to them the same serial number that the application for patent bears and will forthwith transmit them by special letter to the Commissioner of the General Land Office.



## AGREEMENT

Under Act of August 25, 1914 (Public No. 187), for disposition of oil and gas products pending determination of proceedings for patent.

THIS AGREEMENT made and entered into by and between the Secretary of the Interior, acting for and in behalf of the United States, party of the first part, and Lost Hills Mining Company, hereinafter called the applicant, party of the second part:

WITNESSETH, That for and in consideration of the attached application and of the mutual covenants and agreements hereinafter provided, and the rights and privileges hereby granted, the parties hereto agree as follows:

1. That this agreement is made on the basis of the statements and representations made by the applicant in the attached application, which statements and representations the applicant warrants to be true and correct; it being further agreed that in case such statements and representations shall be found by the Secretary of the Interior to be untrue or incorrect in any material respect, such finding shall render this agreement subject to cancellation by said Secretary at his option and on notice to the party of the second part.

2. That commencing on the date of this agreement, and continuing for the period pending the determination by the Secretary of the Interior of the title to the land embraced in the attached application, or such other disposition of the same as may be authorized by law, under the rules, regulations, and practice of the land department of the United States,

said applicant and all persons claiming by, through or under him, as indicated in the attached application, shall be authorized to work and operate in and upon said lands for the production of oil and gas therefrom, in the manner and on the terms and conditions herein provided and not otherwise.

3. That the applicant shall conduct all drilling, pumping, and other operations for the production, storage, and sale of the oil and gas products from said land in workmanlike manner in accordance with approved practices and methods of operation for the prevention of waste or damage to said lands, or to other lands, for oil and gas producing purposes; and to this end applicant agrees to comply promptly and at his own expense with all reasonable rules, regulations, and requirements of the said Secretary of the Interior, his duly authorized agents and representatives for the prevention of damage and waste as aforesaid.

4. That all of the oil and gas products of a marketable character arising from the operations provided for in the last preceding paragraph shall be sold and disposed of in accordance with the contract or contracts for the sale and purchase of such products submitted with, and as a part of, the attached application, or such other contract or contracts as may hereafter be entered into with the approval of the Secretary of the Interior.

5. That one-eighth of the gross proceeds, arising from the sale of such oil and gas products, as provided in the preceding paragraph, shall be deposited by the purchaser or purchasers thereof, in the

national bank designated in said application, to be held by said bank in escrow, as in this contract provided, such payments to be made monthly on or before the tenth day of each month for all oil and gas sold during the preceding month; the balance (seven-eighths of such gross proceeds) shall be paid to the party or parties entitled thereto; full and detailed statements of accounts of sales and purchases, as aforesaid, shall be made by said purchaser in triplicate, one to accompany the payment to said bank, one to the Chief of Field Division of the General Land Office in whose division said land is situated, and one to the party of the second part.

6. That said portion of the gross proceeds, to be deposited in said bank in escrow, as provided in the last preceding paragraph shall be subject to change by the Secretary of the Interior at any time on 30 days notice; *Provided*, That in case such portion shall be increased, it shall be optional with the second party to continue under this agreement; *Provided further*, That notice to discontinue operations hereunder shall be filed in the proper United States Land Office within 10 days after the receipt of notice of such increased amount to be deposited in escrow.

7. That all interest accruing on the portion of such gross proceeds, deposited in said bank in escrow as aforesaid, shall be added to the principal at regular intervals in accordance with the previous understanding with said bank as indicated in the attached application; that in case the land department of the United States shall finally determine that under the law, rules, and regulations controlling the granting

of patents to mineral lands, said second party is entitled to a patent to the land and premises described and applied for in said mineral application, and embraced by this contract, then and in that case, on the issuance of said patent the Secretary of the Interior shall so certify to said bank, whereupon said bank shall be authorized and deemed instructed by the parties hereto, to pay over all moneys deposited therein under the terms hereof, with accumulated interest, to the second party; but in case the land department of the United States shall finally determine, in accordance with the law, its rules, regulations and practice, that the second party is not entitled to patent for the lands and premises embraced in this agreement, and same shall be finally rejected, then on receipt of the certificate of the Secretary of the Interior to that effect, said bank shall be authorized, and it shall be deemed to be instructed by the parties hereto, to pay over all of said payments and accrued interest to the Treasurer of the United States, whereupon all and every claim, right, title, or interest in said funds and accumulated interest, either on the part of the second party or any person claiming by, through or under him, shall cease and terminate; in either of the cases above described, operations under this contract shall cease and terminate on the issuance of the certificate of the Secretary of the Interior as aforesaid; but in case this contract shall, under any of the provisions hereof, be canceled prior to the final determination of the matter of said application for patent, any moneys theretofore deposited in escrow shall nevertheless re-



main so deposited until said application for patent shall be finally approved or rejected.

8. That in case a portion of the land embraced in this agreement shall be finally patented to applicant, and patent shall be denied for the remainder thereof, then such escrow deposits and accumulated interest hereinabove provided for shall be paid to the applicant and to the Treasurer of the United States in such proportion as the area patented shall bear to the area for which patent shall be denied, as shown to said bank by the certificate of the Secretary of the Interior.

9. That the said purchaser of the oil and gas products and the said bank shall be furnished with copies hereof by the party of the first part, and same shall be deemed and constitute joint instructions to them respectively in so far as applicable.

10. That all the workings, operations, premises, equipment, books, and records of the second party, or any person claiming by, through, or under him, pertaining to, or included in, the subject-matter of this agreement, shall, at all times, be subject to inspection by the authorized representatives of the Department of the Interior, and such books, records, and accounts shall be kept and such reports made as the first party by the Secretary of the Interior or his authorized representatives shall, from time to time, direct.

11. Such deposits in escrow, when paid over to the Treasurer of the United States as herein provided, shall be and constitute full and complete payment, accord, and satisfaction of all claims of the



United States for trespass for any and all oil and gas removed from said premises during the period of, and under and subject to, this agreement, as against the applicant, producer or purchaser of such oil or gas products, who shall have in good faith and without collusion done and performed each and every act herein required to be performed by him or it, strictly in accordance with this agreement, even though said application for patent shall be denied.

12. That this contract shall be binding on the heirs, assigns, and legal representatives of the second party hereto.

13. That in no case and under no circumstances or conditions shall the United States become liable to any person whatsoever under or by reason of this contract, or any of its provisions.

14. That failure or default on the part of the second party to comply strictly with the terms hereof shall render this contract subject to cancellation by the Secretary of the Interior at his option immediately on notice of such cancellation to the second party, and the decision of the said Secretary shall be final on the question of the existence of such failure or default.

15. That no Member or Delegate to Congress, or Resident Commissioner, or officer or employee of the Department of the Interior, is or shall be admitted to any share or part in this agreement, or derive any benefit which may arise therefrom, and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States,

approved March 4, 1909 (35 Stat., 1109), relating to contracts, enter into and form a part of this agreement, so far as the same may be applicable.

IN WITNESS WHEREOF, the said parties hereto have caused the execution of these presents by themselves or by their duly authorized officers, agents, or representatives, as of the 30th day of March, 1916.

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Secretary of the Interior.

LOST HILLS MINING COMPANY.

By GEO. T. CAMERON,  
President.

(Seal) By R. A. MORTON,  
Secretary.

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY.

By R. N. BISHOP,  
President.

(Seal) By R. A. MORTON,  
Secretary.

KNOW ALL MEN BY THESE PRESENTS:  
That the Lost Hills Mining Company, a corporation duly organized and existing under the laws of the State of California, and Universal Oil Company, a like corporation, hereby release the United States of and from any claim or demand whatsoever arising from the execution by the Secretary of the Interior of the Agreement (to which this waiver is attached) with the Lost Hills Mining Company for the disposition of oil and gas produced on and from the north-

west one-quarter of section thirty (30), township twenty-six (26) south, range twenty-one (21) east, Mount Diablo Base and Meridian, Kern County, California.

IN WITNESS WHEREOF, the said Lost Hills Mining Company and the said Universal Oil Company have caused their corporate names and seals to be hereunto affixed by their duly authorized officers pursuant to a resolution duly adopted by the Board of Directors of said corporation.

Dated this 30th day of March, 1916.

LOST HILLS MINING COMPANY.

By GEO. T. CAMERON,  
President.

(Seal) By R. A. MORTON,  
Secretary.

UNIVERSAL OIL COMPANY.

By R. N. BISHOP,  
President.

(Seal) By R. A. MORTON,  
Secretary. [1026]

On motion of Director Gregg, seconded by Director Berry, it was

“RESOLVED, That the President and Secretary of LOST HILLS MINING COMPANY be and they are hereby authorized and directed to execute in the name of this corporation and under its corporate seal and as its corporate act and deed application for agreement under the Act of August 25th, 1914 (Public 187), together with the Agreement thereto attached for the disposition of oil and gas products pending the

determination of application for patent, and also a waiver releasing the United States from any claim or demand whatsoever arising from the execution of said agreement for the disposition of oil and gas, a copy of which said application, Agreement and Waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Lost Hills Mining Company, a corporation, duly organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California.

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

(Seal)

R. A. MORTON,  
Secretary. [1027]

“RESOLVED, That this Company, Universal Oil Company, does hereby consent and agree to the applications of the Lost Hills Mining Company for leasing agreements under the Act of August 25th, 1914, and

FURTHERMORE, in consideration of the benefits obtained and to be obtained, this Company further ratifies and approves the terms of said leasing agreements and all thereof as the

same shall be executed and entered into by and between the Lost Hills Mining Company and the Interior Department of the United States under said Act of Congress, and

BE IT FURTHER RESOLVED, That this Company shall and does hereby waive and release the United States from any claim or demand whatsoever arising from the execution of said agreements for the disposition of oil and gas, a copy of said application, agreement and waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Universal Oil Company, a corporation, duly organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California,

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

(Seal)

R. A. MORTON,  
Secretary. [1028]



Wm. H. Crocker, President.  
C. E. Green, Vice-President.  
Jas. J. Fagan, Vice-President.  
W. Gregg, Jr., Cashier.  
J. B. McCargar, Asst. Cashier.  
G. W. Ebner, Asst. Cashier.  
B. D. Dean, Asst. Cashier.  
J. M. Masten, Asst. Cashier.  
John Clausen,  
Manager Foreign Department.

United States Depository.  
Cable Address: Crockwool

THE CROCKER NATIONAL BANK  
OF SAN FRANCISCO.

March 30th, 1916.

Hon. Secretary of the Interior,  
Lost Hills Mining Company,  
San Francisco, California.

Gentlemen:

The Crocker National Bank of San Francisco will allow interest at the rate of two per cent. per annum on average daily balance computed and added monthly on all sums deposited in escrow under the attached agreement.

THE CROCKER NATIONAL BANK OF  
SAN FRANCISCO,

By J. B. McCARGAR,  
Assistant Cashier. [1029]

Copy of Resolution of the Board of Directors of the Universal Oil Company passed at a meeting of the Board of Directors held on the 29th day of March, 1916, at the office of the Company, Crocker Building, San Francisco, California, duly convened and held.

“WHEREAS, this Company, namely, Universal Oil Company, a corporation organized and existing under and by virtue of the laws of the State of California, has consented to and has joined in the appli-

cations of the Lost Hills Mining Company, a similar corporation, for leasing agreements under the act of August 25th, 1914, with the Interior Department of the United States covering the following described property:

NW $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

SE $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

NE $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

SW $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

NW $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

“WHEREAS, it is necessary to have this Company represented by an Attorney in Fact when said applications are presented to the Interior Department and to the other Departments of the United States Government,

NOW, THEREFORE, upon motion duly moved, seconded and unanimously carried, be it

RESOLVED, That Joseph D. Redding, Attorney, Counsel for and Director in this Company, be and he hereby, and by these presents, is constituted and appointed the true and lawful attorney for this Company and in the name, place and stead of this Company, Universal Oil Company, to represent this Company and to act on its behalf in presenting said applications before the Interior Department and all other Departments of the Government of the United States, with full power and authority hereby

given and vested in said Joseph D. Redding to sign and execute said agreement and applications and all corrections and amendments thereto, which may be made by the said Interior Department and which shall meet the approval of said Attorney in Fact of this Company.

GIVING AND GRANTING UNTO the said Attorney of this Company, Universal Oil Company, full power and authority to do and to perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as this Company and its Board of Directors might or could do if it and they were personally present or were executing said applications by the signatures of the President and Secretary and under the seal of said Company, hereby ratifying and confirming all that the said Attorney in Fact shall lawfully do or cause to be done by virtue of these presents."

I, R. A. MORTON, Secretary of UNIVERSAL OIL COMPANY, a corporation created, organized and existing under the laws of the State of California, hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a meeting of the Board of Directors of said corporation, duly convened and held at the office of the Company in the City and County of San [1030] Francisco, State of California, on the 29th day of March, 1916.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said cor-

poration this 30th day of March, 1916.

R. A. MORTON, (Seal)  
Secretary Universal Oil Company. [1031]

EXHIBIT "B."

4—010

Approved by the Department

November 21, 1914.

APPLICATION FOR AGREEMENT UNDER  
THE ACT OF AUGUST 25, 1914 (PUBLIC  
187).

San Francisco, California, March 30th, 1916.

The undersigned LOST HILLS MINING COM-  
(Name of applicant.)

PANY, hereby applies for an agreement or contract with the Secretary of the Interior for the disposition of oil and gas from the lands hereinafter described, as authorized under the act of Congress, approved August 25, 1914 (Public 187). In support of said application this applicant respectfully represents as follows, which representations the said applicant hereby warrants to be true and correct.

1. That it is the identical person or corporation,  
(He or it.)

who under date of November 18th, 1911, filed in the local land office at Visalia, State of California, mineral application, serial number 03432 for the Signal Placer Mining placer claim, embracing the Southeast One-quarter of Section 30, Township 26 South, Range 21 East, in the Visalia land district, State of California.

2. That the applicant desires the contract or agreement herein applied for to embrace the following de-

scribed lands: The Southeast One-Quarter of Section 30, Township 26 South, Range 21 East, being the Signal Placer Mining Claim.

3. That oil or gas was discovered, or was being produced, upon the lands covered by this application on or before August 25, 1914, ~~or drilling operations were in actual progress on October 3, 1910.~~

(Strike out whichever is not appropriate.)

4. That, so far as known to applicant, the following enumerated persons or corporations are the only ones claiming any right, title, or interest in and to said lands or any portion thereof, or to the oil or gas produced therefrom, and their respective interests are herein set forth.

Name.

Interest.

Lost Hills Mining Company, holder of legal title and applicant for patent and Universal Oil Company operating said property under resolution of the Board of Directors of Lost Hills Mining Company dated January 17th, 1912, certified copy of said resolution hereto attached.

(A fuller statement of interest may be attached if desired.)

5. That the number of wells being operated on the land covered by this application for an agreement or contract is Five and the approximate daily gross production of each well at the present time is as follows: #4-120 Bbls; #9-96 Bbls; #10-16 Bbls; #11-28 Bbls; #13-31 Bbls.

6. That contracts for the sale and purchase of the oil and gas products arising from the operations to be carried on under the agreement herein applied



for, on the lands covered thereby, have been entered into with the following and no others: Associated Oil Company, a corporation organized under the laws of California. Duly authenticated copy of each of said contracts is hereto attached and made a part of this application.

7. That the portion of the gross proceeds arising from the sale of the oil and gas which is to be placed in escrow during the life of the contract or agreement herein applied for, will be deposited in the Crocker National Bank of S. F. There is hereto  
(Must be a national bank.)

attached a statement by the Assistant Cashier  
(Officer.)

of said bank which sets forth the rate of interest to be allowed on said escrow deposit and the method by which said interest is to computed.

8. That there are hereto attached duly executed waivers by each and every one of the parties claiming an interest as specified in paragraph four, releasing the United States from any claim or demand whatsoever arising from the execution of this agreement by the Secretary of the Interior.

LOST HILLS MINING COMPANY, (Seal)  
(Name of applicant.)

By GEO. T. CAMERON, Pres.

By R. A. MORTON, Secy.

San Francisco, Cal.  
(Address.)

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY. (Seal)  
(Corporate seal if corporation be the applicant.)

By R. N. BISHOP, Pres.

By R. A. MORTON, Secy. [1032]

George T. Cameron, being first duly sworn, deposes and says he is the President of Lost Hills Mining Company, named in the foregoing application; that he has read the foregoing application and knows the contents thereof and that the facts therein stated are true according to the best of his knowledge, information, and belief.

GEO. T. CAMERON.

Subscribed and sworn to before me this — day  
of —.

---

Notary Public.

### INSTRUCTIONS.

1. This application can be made and the contract executed only by an applicant for mineral patent for oil or gas lands embraced in an order of withdrawal.

2. The application and the contract must be executed in triplicate and filed in the local land office in the district in which the lands are situated. One set only of the exhibits accompanying the application need be authenticated, but the others must be true copies.

3. In the option of the applicant, the applica-

tion and contract may cover all the land embraced in the application for patent or one or more legal subdivisions thereof.

4. The form of waiver provided for in section 8 of the application must be absolute and unconditional, and if by a corporation, proper evidence of authority for the execution of such instrument must be attached.

5. Immediately upon filing of the application and contract, properly executed, the Register and Receiver will assign to them the same serial number that the application for patent bears and will forthwith transmit them by special letter to the Commissioner of the General Land Office.

#### AGREEMENT.

Under Act of August 25, 1914 (Public No. 187), for disposition of oil and gas products pending determination of proceedings for patent.

THIS AGREEMENT made and entered into by and between the Secretary of the Interior, acting for and in behalf of the United States, party of the first part, and LOST HILLS MINING COMPANY, hereinafter called the applicant, party of the second part:

WITNESSETH, That for and in consideration of the attached application and of the mutual covenants and agreements herinafter provided, and the rights and privileges hereby granted, the parties hereto agree as follows:

1. That this agreement is made on the basis of the statements and representations made by the ap-

plicant in the attached application, which statements and representations the applicant warrants to be true and correct; it being further agreed that in case such statements and representations shall be found by the Secretary of the Interior to be untrue or incorrect in any material respect, such finding shall render this agreement subject to cancellation by said Secretary at his option and on notice to the party of the second part.

2. That commencing on the date of this agreement, and continuing for the period pending the determination by the Secretary of the Interior of the title to the land embraced in the attached application, or such other disposition of the same as may be authorized by law, under the rules, regulations, and practice of the land department of the United States, said applicant and all persons claiming by, through or under him, as indicated in the attached application, shall be authorized to work and operate in and upon said lands for the production of oil and gas therefrom, in the manner and on the terms and conditions herein provided and not otherwise.

3. That the applicant shall conduct all drilling, pumping, and other operations for the production, storage, and sale of the oil and gas products from said land in workmanlike manner in accordance with approved practices and methods of operation for the prevention of waste or damage to said lands, or to other lands, for oil and gas producing purposes; and to this end applicant agrees to comply promptly and at his own expense with all reasonable rules, regulations, and requirements of the said Secretary of the

Interior, his duly authorized agents and representatives for the prevention of damage and waste as aforesaid.

4. That all of the oil and gas products of a marketable character arising from the operations provided for in the last preceding paragraph shall be sold and disposed of in accordance with the contract or contracts for the sale and purchase of such products submitted with, and as a part of, the attached application, or such other contract or contracts as may hereafter be entered into with the approval of the Secretary of the Interior.

5. That one-eighth of the gross proceeds, arising from the sale of such oil and gas products, as provided in the preceding paragraph, shall be deposited by the purchaser or purchasers thereof, in the national bank designated in said application, to be held by said bank in escrow, as in this contract provided, such payments to be made monthly on or before the tenth day of each month for all oil and gas sold during the preceding month; the balance (seven-eighths of such gross proceeds) shall be paid to the party or parties entitled thereto; full and detailed statements of accounts of sales and purchases, as aforesaid, shall be made by said purchaser in triplicate, one to accompany the payment to said bank, one to the Chief of Field Division of the General Land Office in whose division said land is situated, and one to the party of the second part.

6. That said portion of the gross proceeds, to be deposited in said bank in escrow, as provided in the last preceding paragraph shall be subject to change



by the Secretary of the Interior at any time on 30 days notice: *Provided*, That in case such portion shall be increased, it shall be optional with the second party to continue under this agreement; *Provided further*, That notice to discontinue operations hereunder shall be filed in the proper United States Land Office within 10 days after the receipt of notice of such increased amount to be deposited in escrow.

7. That all interest accruing on the portion of such gross proceeds, deposited in said bank in escrow as aforesaid, shall be added to the principal at regular intervals in accordance with the previous understanding with said bank as indicated in the attached application; that in case the land department of the United States shall finally determine that under the law, rules, and regulations controlling the granting of patents to mineral lands, said second party is entitled to a patent to the land and premises described and applied for in said mineral application, and embraced by this contract, then and in that case, on the issuance of said patent the Secretary of the Interior shall so certify to said bank, whereupon said bank shall be authorized and deemed instructed by the parties hereto, to pay over all moneys deposited therein under the terms hereof, with accumulated interest, to the second party; but in case the land department of the United States shall finally determine, in accordance with the law, its rules, regulations and practice, that the second party is not entitled to patent for the lands and premises embraced in this agreement, and same shall be finally rejected, *then* on receipt of the certificate of the Secretary of

the Interior to that effect, said bank shall be authorized, and it shall be deemed to be instructed by the parties hereto, to pay over all of said payments and accrued interest to the Treasurer of the United States, whereupon all and every claim, right, title, or interest in said funds and accumulated interest, either on the part of the second party or any person claiming by, through or under him, shall cease and terminate; in either of the cases above described, operations under this contract shall cease and terminate on the issuance of the certificate of the Secretary of the Interior as aforesaid; but in case this contract shall, under any of the provisions hereof, be canceled prior to the final determination of the matter of said application for patent, any moneys theretofore deposited in escrow shall nevertheless remain so deposited until said application for patent shall be finally approved or rejected.

8. That in case a portion of the land embraced in this agreement shall be finally patented to applicant, and patent shall be denied for the remainder thereof, then such escrow deposits and accumulated interest hereinabove provided for shall be paid to the applicant and to the Treasurer of the United States in such proportion as the area patented shall bear to the area for which patent shall be denied, as shown to said bank by the certificate of the Secretary of the Interior.

9. That the said purchaser of the oil and gas products and the said bank shall be furnished with copies hereof by the party of the first part, and same shall be deemed and constitute joint instructions to

them respectively in so far as applicable.

10. That all the workings, operations, premises, equipment, books, and records of the second party, or any person claiming by, through, or under him, pertaining to, or included in, the subject-matter of this agreement, shall, at all times, be subject to inspection by the authorized representatives of the Department of the Interior, and such books, records, and accounts shall be kept and such reports made as the first party, by the Secretary of the Interior or his authorized representatives shall, from time to time, direct.

11. Such deposits in escrow, when paid over to the Treasurer of the United States as herein provided, shall be and constitute full and complete payment, accord, and satisfaction of all claims of the United States for trespass for any and all oil and gas removed from said premises during the period of, and under and subject to, this agreement, as against the applicant, producer or purchaser of such oil or gas products, who shall have in good faith and without collusion done and performed each and every act herein required to be performed by him or it, strictly in accordance with this agreement, even though said application for patent shall be denied.

12. That this contract shall be binding on the heirs, assigns, and legal representatives of the second party hereto.

13. That in no case and under no circumstances or conditions shall the United States become liable to any person whatsoever under or by reason of this contract, or any of its provisions.

14. That failure or default on the part of the sec-

ond party to comply strictly with the terms hereof shall render this contract subject to cancellation by the Secretary of the Interior at his option immediately on notice of such cancellation to the second party, and the decision of the said Secretary shall be final on the question of the existence of such failure or default.

15. That no Member of or Delegate to Congress, or Resident Commissioner, or officer or employee of the Department of the Interior, is or shall be admitted to any share or part in this agreement, or derive any benefit which may arise therefrom, and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States, approved March 4, 1909 (35 Stat., 1109), relating to contracts, enter into and form a part of this agreement, so far as the same may be applicable.

IN WITNESS WHEREOF, the said parties hereto have caused the execution of these presents by themselves or by their duly authorized officers, agents, or representatives, as of the 30th day of March, 1916.

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Secretary of the Interior.

LOST HILLS MINING COMPANY, (Seal)

By GEO. T. CAMERON,

President.

By R. A. MORTON,

Secretary.

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY, (Seal)

By R. N. BISHOP,

President.

By R. A. MORTON,

Secretary.

KNOW ALL MEN BY THESE PRESENTS:  
That the Lost Hills Mining Company, a corporation duly organized and existing under the laws of the State of California, and Universal Oil Company, a like corporation, hereby release the United States of and from any claim or demand whatsoever arising from the execution by the Secretary of the Interior of the Agreement (to which this waiver is attached) with the Lost Hills Mining Company for the disposition of oil and gas produced on and from the southeast one-quarter of Section thirty (30), township twenty-six (26) south, range twenty-one (21) east, Mount Diablo Base and Meridian, Kern County, California.

IN WITNESS WHEREOF, the said Lost Hills Mining Company and the said Universal Oil Company have caused their corporate names and seals to be hereunto affixed by their duly authorized officers pursuant to a resolution duly adopted by the Board of Directors of said corporation.



Dated this 30th day of March, 1916.

LOST HILLS MINING COMPANY, (Seal)

By GEO. T. CAMERON,  
President.

By R. A. MORTON,  
Secretary.

UNIVERSAL OIL COMPANY, [Seal]

By R. N. BISHOP,  
President.

By R. A. MORTON,  
Secretary. [1033]

On motion of Director Gregg, seconded by Director Berry, it was

“RESOLVED, That the President and Secretary of

LOST HILLS MINING COMPANY

be and they are hereby authorized and directed to execute in the name of this corporation and under its corporate seal and as its corporate act and deed application for agreement under the Act of August 25th, 1914 (Public 187), together with the Agreement thereto attached for the disposition of oil and gas products pending the determination of application for patent, and also a waiver releasing the United States from any claim or demand whatsoever arising from the execution of said agreement for the disposition of oil and gas, a copy of which said application, Agreement and Waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Lost Hills Mining Company, a corporation, duly organized and existing under the laws of the State of California, hereby cer-

tify that the foregoing is a full, true and correct copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California.

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

R. A. MORTON, (Seal)  
Secretary. [1034]

“RESOLVED, That this Company, Universal Oil Company, does hereby consent and agree to the applications of the Lost Hills Mining Company for leasing agreements under the Act of August 25th, 1914, and

FURTHERMORE, in consideration of the benefits obtained and to be obtained, this Company further ratifies and approves the terms of said leasing agreements and all thereof as the same shall be executed and entered into by and between the Lost Hills Mining Company and the Interior Department of the United States under said Act of Congress and

BE IT FURTHER RESOLVED, That this Company shall and does hereby waive and release the United States from any claim or demand whatsoever arising from the execution of said agreements for the disposition of oil and gas, a copy of said application, agreement and waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Universal Oil Company, a corporation duly organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California.

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

R. A. MORTON, (Seal)  
Secretary. [1035]

Wm. H. Crocker, President.  
C. E. Green, Vice-President.  
Jas. J. Fagan, Vice-President.  
W. Gregg, Jr., Cashier.  
J. B. McCargar, Asst. Cashier.  
G. W. Ebner, Asst. Cashier.  
B. D. Dean, Asst. Cashier.  
J. M. Masten, Asst. Cashier.  
John Clausen,  
Manager Foreign Department.

United States Depository.  
Cable Address: Crockwool.

THE CROCKER NATIONAL BANK  
OF SAN FRANCISCO.

March 30th, 1916.

Hon. Secretary of the Interior,  
Lost Hills Mining Company,  
San Francisco, California.

Gentlemen: The Crocker National Bank of San Francisco will allow interest at the rate of two per cent per annum on average daily balance computed

and added monthly on all sums deposited in escrow under the attached agreement.

THE CROCKER NATIONAL BANK OF  
SAN FRANCISCO.

By J. B. McCARGAR,  
Assistant Secretary. [1036]

Copy of Resolution of the Board of Directors of the Universal Oil Company passed at a meeting of the Board of Directors held on the 29th day of March, 1916, at the office of the Company, Crocker Building, San Francisco, California, duly convened and held.

“WHEREAS, this Company, namely, Universal Oil Company, a corporation organized and existing under and by virtue of the laws of the State of California, has consented to and has joined in the application of the Lost Hills Mining Company, a similar corporation, for leasing agreements under the Act of August 25th, 1914, with the Interior Department of the United States covering the following described property:

NW.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E.; M. D. B. M.;  
Kern Co., Cal.

SE.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M.;  
Kern Co., Cal.

NE.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E.; M. D. B. M.;  
Kern Co., Cal.

SW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M.;  
Kern Co., Cal.

SW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M.;  
Kern Co., Cal.

WHEREAS, it is necessary to have this Company represented by an Attorney-in-Fact when said applications are presented to the Interior Department and to the other Departments of the United States Government.

NOW, THEREFORE, upon motion duly moved, seconded and unanimously carried, be it

RESOLVED, That Joseph D. Redding, Attorney, Counsel for and Director in this Company, be and he hereby, and by these presents, is constituted and appointed the true and lawful Attorney for this Company and in the name, place and stead of this Company, Universal Oil Company, to represent this Company and to act on its behalf in presenting said applications before the Interior Department and all other Departments of the Government of the United States, with full power and authority hereby given and vested in said Joseph D. Redding to sign and execute said agreements and applications and all corrections and amendments thereto, which may be made by the said Interior Department and which shall meet the approval of said Attorney-in-Fact of this Company.

GIVING AND GRANTING UNTO the said Attorney of this Company, Universal Oil Company, full power and authority to do and to perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as this Company and its Board of Directors might or could do if it and they were personally present or were executing said applications by the signatures of the President



and Secretary and under the seal of said Company, hereby ratifying and confirming all that the said Attorney-in-Fact shall lawfully do or cause to be done by virtue of these presents.”

I, R. A. MORTON, Secretary of UNIVERSAL OIL COMPANY, a corporation created, organized and existing under the laws of the State of California, hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a meeting of the Board of Directors of said corporation, duly convened and held at the office of the Company in the City [1037] and County of San Francisco, State of California, on the 29th day of March, 1916.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation this 30th day of March, 1916.

R. A. MORTON,  
Secretary Universal Oil Company. [1038]

EXHIBIT “C.”

4—010

Approved by the Department  
November 21, 1914

APPLICATION FOR AGREEMENT UNDER  
THE ACT OF AUGUST 25, 1914 (PUBLIC  
187).

San Francisco, California, March 30th, 1916.

The undersigned LOST HILLS MINING COM-  
(Name of applicant.)  
PANY, hereby applies for an agreement or contract  
with the Secretary of the Interior for the disposition

of oil and gas from the lands hereinafter described, as authorized under the act of Congress, approved August 25, 1914 (Public 187). In support of said application this applicant respectfully represents as follows, which representations the said applicant hereby warrants to be true and correct.

1. That it is the identical person or corporation,  
(He or it.)

who under date of December 2nd, 1911, filed in the local land office at Visalia, State of California, mineral application, serial number 03457 for the Eagle Placer Mining *placer claim*, embracing the Northeast One-quarter of Section 32, Township 26 South, Range 21 East, in the Visalia land district, State of California.

2. That the applicant desires the contract or agreement herein applied for to embrace the following described lands: The Northeast One-quarter of Section 32, Township 26 South, Range 21 East, being the Eagle Placer Mining Claim.

3. That oil or gas was discovered, or was being produced, upon the lands covered by this application on or before August 25, 1914, and drilling operations were in actual progress on October 3, 1910.

(Strike out whichever is not appropriate.)

4. That, so far as known to applicant, the following enumerated persons or corporations are the only ones claiming any right, title, or interest in and to said lands or any portion thereof, or to the oil or gas produced therefrom, and their respective inter-

Name

ests are herein set forth.      Lost Hills Mining Com-

Interest

pany, holder of legal title and applicant for patent and Universal Oil Company operating said property under resolution of the Board of Directors of Lost Hills Mining Company dated January 17th, 1912, certified copy of said resolution hereto attached.

(A fuller statement of interest may be attached if desired.)

5. That the number of wells being operated on the land covered by this application for an agreement or contract is Four and the approximate daily gross production of each well at the present time is as follows: #1-72 Bbls.; #21-16 Bbls.; #26-39 Bbls.; #29-24 Bbls.;

6. That contracts for the sale and purchase of the oil and gas products arising from the operations to be carried on under the agreement herein applied for, on the lands covered thereby, have been entered into with the following and no others: Associated Oil Company, a corporation organized under the laws of California. Duly authenticated copy of each of said contracts is hereto attached and made a part of this application.

7. That the portion of the gross proceeds arising from the sale of the oil and gas which is to be placed in escrow during the life of the contract or agreement herein applied for, will be deposited in the Crocker National Bank of S. F. Bank. There is  
(Must be a national bank.)

hereto attached a statement by the Assistant  
officer

Cashier of said bank which sets forth the rate of interest to be allowed on said escrow deposit and the

method by which said interest is to be computed.

8. That there are hereto attached duly executed waivers by each and one of the parties claiming an interest as specified in paragraph four, releasing the United States from any claim or demand whatsoever arising from the execution of this agreement by the Secretary of the Interior.

LOST HILLS MINING COMPANY. (Seal)

(Name of applicant.)

By GEO. T. CAMERON, Pres.

By R. A. MORTON, Sec.

San Francisco, Cal.

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY (Seal)

(Corporate seal if corporation be the applicant.)

By R. N. BISHOP, Pres.

By R. A. MORTON, Sec. [1039]

George T. Cameron, being first duly sworn, deposes and says he is the President of Lost Hills Mining Company, named in the foregoing application; that he has read the foregoing application and knows the contents thereof and that the facts therein stated are true according to the best of his knowledge, information and belief.

GEORGE T. CAMERON,

Subscribed and sworn to before me this — day  
of —.

\_\_\_\_\_,  
Notary Public.

## INSTRUCTIONS.

1. This application can be made and the contract executed only by an applicant for mineral patent for oil or gas lands embraced in an order of withdrawal.

2. The application and the contract must be executed in triplicate and filed in the local land office in the district in which the lands are situated. One set only of the exhibits accompanying the application need be authenticated, but the others must be true copies.

3. In the option of the applicant, the application and contract may cover all the land embraced in the application for patent or one or more legal subdivisions thereof.

4. The form of waiver provided for in section 8 of the application must be absolute and unconditional, and if by a corporation, proper evidence of authority for the execution of such instrument must be attached.

5. Immediately upon filing of the application and contract, properly executed, the Register and Receiver will assign to them the same serial number that the application for patent bears and will forthwith transmit them by special letter to the Commissioner of the General Land Office.

## AGREEMENT.

Under Act of August 25, 1914 (Public No. 187), for disposition of oil and gas products pending termination of proceedings for patent.

THIS AGREEMENT made and entered into by and between the Secretary of the Interior, acting for and in behalf of the United States, party of the



first part, and Lost Hills Mining Company, hereinafter called the applicant, party of the second part:

WITNESSETH, That for and in consideration of the attached application and of the mutual covenants and agreements hereinafter provided and the rights and privileges hereby granted, the parties hereto agree as follows:

1. That this agreement is made on the basis of the statements and representations made by the applicant in the attached application, which statements and representations the applicant warrants to be true and correct; it being further agreed that in case such statements and representations shall be found by the Secretary of the Interior to be untrue or incorrect in any material respect, such finding shall render this agreement subject to cancellation by said Secretary at his option and on notice to the party of the second part.

2. That commencing on the date of this agreement, and continuing for the period pending the determination by the Secretary of the Interior of the title to the land embraced in the attached application, or such other disposition of the same as may be authorized by law under the rules, regulations, and practice of the land department of the United States, said applicant and all persons claiming by, through or under him, as indicated in the attached application, shall be authorized to work and operate in and upon said lands for the production of oil and gas therefrom, in the manner and on the terms and conditions herein provided and not otherwise.

3. That the applicant shall conduct all drilling,

pumping, and other operations for the production, storage, and sale of the oil and gas products from said land in workmanlike manner in accordance with approved practices and methods of operation for the prevention of waste or damage to said lands, or to other lands, for oil and gas producing purposes; and to this end applicant agrees to comply promptly and at his own expense with all reasonable rules, regulations, and requirements of the said Secretary of the Interior, his duly authorized agents and representatives for the prevention of damage and waste as aforesaid.

4. That all of the oil and gas products of a marketable character arising from the operations provided for in the last preceding paragraph shall be sold and disposed of in accordance with the contract or contracts for the sale and purchase of such products submitted with, and as a part of, the attached application, or such other contract or contracts as may hereafter be entered into with the approval of the Secretary of the Interior.

5. That one-eighth of the gross proceeds, arising from the sale of such oil and gas products, as provided in the preceding paragraph, shall be deposited by the purchaser or purchasers thereof, in the national bank designated in said application, to be held by said bank in escrow, as in this contract provided, such payments to be made monthly on or before the tenth day of each month for all oil and gas sold during the preceding month; the balance (seven-eighths of such gross proceeds) shall be paid to the party or parties entitled thereto; full and de-

tailed statements of accounts of sales and purchases, as aforesaid, shall be made by said purchaser in triplicate, one to accompany the payment to said bank, one to the Chief of Field Division of the General Land Office in whose division said land is situated, and one to the party of the second part.

6. That said portion of the gross proceeds, to be deposited in said bank in escrow, as provided in the last preceding paragraph shall be subject to change by the Secretary of the Interior at any time on 30 days notice: *Provided*, That in case such portion shall be increased, it shall be optional with the second party to continue under this agreement; *Provided further*, That notice to discontinue operations hereunder shall be filed in the proper United States Land Office within 10 days after the receipt of notice of such increased amount to be deposited in escrow.

7. That all interest accruing on the portion of such gross proceeds, deposited in said bank in escrow as aforesaid, shall be added to the principal at regular intervals in accordance with the previous understanding with said bank as indicated in the attached application; that in case the land department of the United States shall finally determine that under the law, rules, and regulations controlling the granting of patents to mineral lands, said second party is entitled to a patent to the land and premises described and applied for in said mineral application, and embraced by this contract, then and in that case, on the issuance of said patent the Secretary of the Interior shall so certify to said bank, whereupon said bank shall be authorized and deemed

instructed by the parties hereto, to pay over all moneys deposited therein under the terms hereof, with accumulated interest, to the second part; but in case the land department of the United States shall finally determine, in accordance with the law, its rules, regulations and practice, that the second party is entitled to patent for the lands and premises embraced in this agreement, and same shall be finally rejected, *then* on receipt of the certificate of the Secretary of the Interior to that effect, said bank shall be authorized, and it shall be deemed to be instructed by the parties hereto, to pay over all of said payments and accrued interest to the Treasurer of the United States, whereupon all and every claim, right, title, or interest in said funds and accumulated interest, either on the part of the second party or any person claiming by, through or under him, shall cease and terminate; in either of the cases above described, operations under this contract shall cease and terminate on the issuance of the certificate of the Secretary of the Interior as aforesaid; but in case this contract shall, under any of the provisions hereof, be canceled prior to the final determination of the matter of said application for patent, any moneys theretofore deposited in escrow shall nevertheless remain so deposited until said application for patent shall be finally approved or rejected.

8. That in case a portion of the land embraced in this agreement shall be finally patented to applicant, and patent shall be denied for the remainder thereof, then such escrow deposits and accumulated interest



hereinabove provided for shall be paid to the applicant and to the Treasurer of the United States in such proportion as the area patented shall bear to the area for which patent shall be denied, as shown to said bank by the certificate of the Secretary of the Interior.

9. That the said purchaser of the oil and gas products and the said bank shall be furnished with copies hereof by the party of the first part, and same shall be deemed and constitute joint instructions to them respectively in so far as applicable.

10. That all the workings, operations, premises, equipment, books, and records of the second party, or any person claiming by, through, or under him, pertaining to, or included in, the subject-matter of this agreement, shall, at all times, be subject to inspection by the authorized representatives of the Department of the Interior, and such books, records, and accounts shall be kept and such reports made as the first party by the Secretary of the Interior or his authorized representatives shall, from time to time, direct.

11. Such deposits in escrow, when paid over to the Treasurer of the United States as herein provided, shall be and constitute full and complete payment, accord, and satisfaction of all claims of the United States for trespass for any and all oil and gas removed from said premises during the period of, and under and subject to, this agreement, as against the applicant, producer or purchaser of such oil or gas products, who shall have in good faith and without collusion done and performed each and



every act herein required to be performed by him or it, strictly in accordance with this agreement, even though said application for patent shall be denied.

12. That this contract shall be binding on the heirs, assigns, and legal representatives of the second party hereto.

13. That in no case and under no circumstances or conditions shall the United States become liable to any person whatsoever under or by reason of this contract, or any of its provisions.

14. That failure or default on the part of the second party to comply strictly with the terms hereof shall render this contract subject to cancellation by the Secretary of the Interior at his option immediately on notice of such cancellation to the second party, and the decision of the said Secretary shall be final on the question of the existence of such failure or default.

15. That no Member of or Delegate to Congress, or Resident Commissioner, or officer or employee of the Department of the Interior, is or shall be admitted to any share or part in this agreement, or derive any benefit which may arise therefrom, and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States, approved March 4, 1909 (35 Stat., 1109), relating to contracts, enter into and form a part of this agreement, so far as the same may be applicable.

IN WITNESS WHEREOF, the said parties hereto have caused the execution of these presents by themselves, or, by their duly authorized officers

agents, or representatives, as of the 30th day of March, 1916.

---

Secretary of the Interior.

LOST HILLS MINING COMPANY, (Seal)

By GEO. T. CAMERON,

President.

By R. A. MORTON,

Secretary.

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY, (Seal)

By R. N. BISHOP,

President.

By R. A. MORTON,

Secretary.

KNOW ALL MEN BY THESE PRESENTS:  
That the Lost Hills Mining Company, a corporation duly organized and existing under the laws of the State of California, and Universal Oil Company, a like corporation, hereby release the United States of and from any claim or demand whatsoever arising from the execution by the Secretary of the Interior of the Agreement (to which this waiver is attached) with the Lost Hills Mining Company for the disposition of oil and gas produced on and from the northeast one-quarter of section thirty-two (32), township twenty-six (26) south, range twenty-one (21) East, Mount Diablo Base and Meridian, Kern County, California.

In Witness Whereof, the said Lost Hills Mining Company and the said Universal Oil Company

have caused their corporate names and seals to be hereunto affixed by their duly authorized officers pursuant to a resolution duly adopted by the Board of Directors of said corporation.

Dated this 30th day of March, 1916.

LOST HILLS MINING COMPANY, (Seal)

By GEO. T. CAMERON,  
President.

By R. A. MORTON,  
Secretary.

UNIVERSAL OIL COMPANY, (Seal)

By R. N. BISHOP,  
President.

By R. A. MORTON,  
Secretary. [1040]

On motion of Director Gregg, seconded by Director Berry, it was

“RESOLVED, That the President and Secretary of Lost Hills Mining Company be and they are hereby authorized and directed to execute in the name of this corporation and under its corporate seal and as its corporate act and deed, application for agreement under the Act of August 25, 1914, (Public 187), together with the Agreement thereto attached for the disposition of oil and gas products pending the determination of application for patent, and also a waiver releasing the United States from any claim or demand whatsoever arising from the execution of said agreement for the disposition of oil and gas, a copy of which said application, Agreement and Waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Lost Hills Mining Company, a corporation, duly organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California.

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

(Seal)

R. A. MORTON,  
Secretary. [1041]

“RESOLVED, That this Company, Universal Oil Company, does hereby consent and agree to the application of the Lost Hills Mining Company for leasing agreements under the Act of August 25th, 1914, and

FURTHERMORE, in consideration of the benefits obtained and to be obtained, this Company further ratifies and approves the terms of said leasing agreements and all thereof as the same shall be executed and entered into by and between the Lost Hills Mining Company and the Interior Department of the United States under said Act of Congress, and

BE IT FURTHER RESOLVED, That this Company shall and does hereby waive and release the United States from any claim or demand whatsoever arising from the execution of said agreements for the disposition of oil and gas, a copy of said applica-

tion, agreement and waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Universal Oil Company, a corporation duly organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, State of California.

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

(Seal)

R. A. MORTON,  
Secretary. [1042]

Wm. H. Crocker, President.  
C. E. Green, Vice-President.  
Jas. J. Fagan, Vice-President.  
W. Gregg, Jr., Cashier.  
J. B. McCargar, Asst. Cashier.  
G. W. Ebner, Asst. Cashier.  
B. D. Dean, Asst. Cashier.  
J. M. Masten, Asst. Cashier.  
John Clausen,  
Manager Foreign Department.

United States Depositary.  
Cable Address: Crockwool.

THE CROCKER NATIONAL BANK.  
OF SAN FRANCISCO.

March 30th, 1916.

Hon. Secretary of the Interior,  
Lost Hills Mining Company,  
San Francisco, California.

Gentlemen: The Crocker National Bank of San Francisco, will allow interest at the rate of two per



cent. per annum on average daily balance computed and added monthly on all sums deposited in escrow under the attached agreement.

THE CROCKER NATIONAL BANK OF  
SAN FRANCISCO,

By J. B. McCARGAR,  
Assistant Cashier. [1043]

Copy of Resolution of the Board of Directors of the Lost Hills Mining Company passed at a meeting of the Board of Directors held on the 29th day of March, 1916, at the office of the Company, Crocker Building, San Francisco, California, duly and regularly held.

“WHEREAS, this Company, Lost Hills Mining Company, a corporation organized and existing under and by virtue of the laws of the State of California, is making application for leasing agreements under the Act of August 25th, 1914, with the Interior Department of the United States covering the following described property:

NW.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M.,  
Kern Co., Cal.

SE.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M.,  
Kern Co., Cal,

NE.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M.,  
Kern Co., Cal,

SW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M.,  
Kern Co., Cal,

NW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M.,  
Kern Co., Cal,

WHEREAS, it is necessary to have this Company represented by an Attorney in Fact when said ap-

plications are presented to the Interior Department and to the other Departments of the United States Government;

NOW, THEREFORE, upon motion duly moved, seconded and unanimously carried, be it

RESOLVED, That Joseph D. Redding, Attorney, Counsel for and Director in, this company be and he hereby, and by these presents, is constituted and appointed the true and lawful Attorney for this Company and in the name, place and stead of this Company, Lost Hills Mining Company, to represent this Company and to act on its behalf in presenting said applications before the Interior Department and all other departments of the Government of the United States, with full power and authority hereby given and vested in said Joseph D. Redding to sign and execute said agreeemnts and applications and all corrections and amendments thereto, which may be made by the said Interior Department and which shall meet the approval of said Attorney in Fact of this Company.

GIVING AND GRANTING UNTO the said Attorney of this Company, Lost Hills Mining Company, a full power and authority to do and to perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as this Company and its Board of Directors might or could do if it and they were personally present or were executing said application by the signatures of the President and Secretary and under the seal of said Company, hereby ratifying and confirming all that

the said Attorney in fact shall lawfully do or cause to be done by virtue of these presents.

I, R. A. MORTON, Secretary of LOST HILLS MINING COMPANY, a corporation created, organized and existing under the laws of the State of California, hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a meeting of the Board of Directors of said corporation, duly convened and held at the office of the Company in the City and County of San Francisco, State of California, on the 29th day of March, 1916. [1044]

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation this 30th day of March, 1916.

(Seal) R. A. MORTON,  
Secretary of Lost Hills Mining Company. [1045]

4-010

Approved by the Department November 21, 1914

## EXHIBIT "D."

APPLICATION FOR AGREEMENT UNDER  
THE ACT OF AUGUST 25, 1914 (PUBLIC  
187).

San Francisco, California, March 30th, 1916

The undersigned, Lost Hills Mining Company, hereby applies for an agreement or contract with the Secretary of the Interior for the disposition of oil and gas from the lands hereinafter described, as authorized under the act of Congress, approved August 25, 1914 (Public 187). In support of said application this applicant respectfully represents as

follows, which representations the said applicant hereby warrants to be true and correct.

1. That it is the identical person or corporation,  
(He or it)

who under date of December 2nd, 1911, filed in the local land office at Visalia, State of California, mineral application, serial number 03459 for the Judge Placer Mining *placer claim*, embracing the Southwest One-quarter of Section 32, township 26 South, Range 21 East, in the Visalia land district, State of California.

- 2 That the applicant desires the contract or agreement herein applied for to embrace the following described lands; The Southwest One-quarter of Section 32, Township 26 South, Range 21 East, being the Judge Placer Mining Claim

3. That oil or gas was discovered, or was being produced, upon the lands covered by this application on or before August 25, 1914, and drilling operations were in actual progress on October 3, 1910

(Strike out whichever is not appropriate)

4. That, so far as known to applicant, the following enumerated persons or corporations are the only ones claiming any right, title, or interest in and to said lands or any portion thereof, or to the oil or gas produced therefrom, and their respective interests

Name

are herein set forth. Lost Hills Mining Company,

Interest

holder of legal title and applicant for patent and Universal Oil Company operating said property under resolution of the Board of Directors of Lost

Hills Mining Company dated January 17th, 1912, certified copy of said resolution hereto attached  
(A fuller statement of interest may be attached if desired.)

5 That the number of wells being operated on the land covered by this application for an agreement or contract is One and the approximate daily gross production of each well at the present time is as follows: No. 9. 39 Bbbs.

6. That contracts for the sale and purchase of the oil and gas products arising from the operations to be carried on under the agreement herein applied for, on the lands covered thereby, have been entered into with the following and no others: Associated Oil Company, a corporation organized under the laws of California. Duly authenticated copy of each of said contracts is hereto attached and made a part of this application.

7. That the portion of the gross proceeds arising from the sale of the oil and gas which is to be placed in escrow during the life of the contract or agreement herein applied for, will be deposited in the Crocker National Bank of S. F. *Bank*. There is  
(Must be a National Bank)

hereto attached a statement by the Assistant Cashier  
(Office.)

of said bank which sets forth the rate of interest to be allowed on said escrow deposit and the method by which said interest is to be computed.

8. That there are hereto attached duly executed waivers by each and every one of the parties claiming an interest as specified in paragraph four, re-



leasing the United States from any claim or demand whatsoever arising from the execution of this agreement by the Secretary of the Interior.

LOST HILLS MINING COMPANY,

(Name of Applicant.)

By GEO. T. CAMERON,

Pres.

(Seal)

By R. A. MORTON,

Secretary.

San Francisco, Cal.

(Address.)

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY,

By R. N. BISHOP,

President.

(Seal)

By R. A. MORTON,

Secretary. [1046]

(Corporate seal if corporation be the applicant.)

George T. Cameron, being first duly sworn, deposes and says he is the President of Lost Hills Mining Company, named in the foregoing application; that he has read the foregoing application and knows the contents thereof and that the facts therein stated are true according to the best of his knowledge, information, and belief.

GEORGE T. CAMERON,

Subscribed and sworn to before me this — day  
of —.

\_\_\_\_\_,  
Notary Public.

## INSTRUCTIONS.

1. This application can be made and the contract executed only by an applicant for mineral patent for oil or gas lands embraced in an order of withdrawal.

2. The application and the contract must be executed in triplicate and filed in the local land office in the district in which the lands are situated. One set only of the exhibits accompanying the application need be authenticated, but the others must be true copies.

3. In the option of the applicant, the application and contract may cover all the land embraced in the application for patent or one or more legal subdivisions thereof.

4. The form of waiver provided for in section 8 of the application must be absolute and unconditional, and if by a corporation, proper evidence of authority for the execution of such instrument must be attached.

5. Immediately upon filing of the application and contract, properly executed, the Register and Receiver will assign to them the same serial number that the application for patent bears and will forthwith transmit them by special letter to the Commissioner of the General Land Office.

## AGREEMENT.

Under Act of August 25, 1914 (Public No. 187), for disposition of oil and gas products pending determination of proceedings for patent.

THIS AGREEMENT made and entered into by and between the Secretary of the Interior, acting for and in behalf of the United States, party of the

first part, and Lost Hills Mining Company, hereinafter called the applicant, party of the second part:

WITNESSETH, That for and in consideration of the attached application and of the mutual covenants and agreements hereinafter provided, and the rights and privileges hereby granted, the parties hereto agree as follows:

1. That this agreement is made on the basis of the statements and representations made by the applicant in the attached application, which statements and representations the applicant warrants to be true and correct; it being further agreed that in case such statements and representations shall be found by the Secretary of the Interior to be untrue or incorrect in any material respect, such finding shall render this agreement subject to cancellation by said Secretary at his option and on notice to the party of the second part.

2. That commencing on the date of this agreement, and continuing for the period pending the determination by the Secretary of the Interior of the title to the land embraced in the attached application, or such other disposition of the same as may be authorized by law, under the rules, regulations, and practice of the land department of the United States, said applicant and all persons claiming by, through or under him, as indicated in the attached application, shall be authorized to work and operate in and upon said lands for the production of oil and gas therefrom, in the manner and on the terms and conditions herein provided and not otherwise.

3. That the applicant shall conduct all drilling,

pumping, and other operations for the production, storage, and sale of the oil and gas products from said land in workmanlike manner in accordance with approved practices and methods of operation for the prevention of waste or damage to said lands, or to other lands, for oil and gas producing purposes; and to this end applicant agrees to comply promptly and at his own expense with all reasonable rules, regulations, and requirements of the said Secretary of the Interior, his duly authorized agents and representatives for the prevention of damage and waste as aforesaid.

4. That all of the oil and gas products of a marketable character arising from the operations provided for in the last preceding paragraph shall be sold and disposed of in accordance with the contract or contracts for the sale and purchase of such products submitted with, and as a part of, the attached application, or such other contract or contracts as may hereafter be entered into with the approval of the Secretary of the Interior.

5. That one-eighth of the gross proceeds, arising from the sale of such oil and gas products, as provided in the preceding paragraph, shall be deposited by the purchaser or purchasers thereof, in the national bank designated in said application, to be held by said bank in escrow, as in this contract provided, such payments to be made monthly on or before the tenth day of each month for all oil and gas sold during the preceding month; the balance (seven-eighths of such gross proceeds) shall be paid to the party or parties entitled thereto; full and detailed

statements of accounts of sales and purchases, as aforesaid, shall be made by said purchaser in triplicate, one to accompany the payment to said bank, one to the Chief of Field Division of the General Land Office in whose division said land is situated, and one to the party of the second part.

6. That said portion of the gross proceeds, to be deposited in said bank in escrow, as provided in the last preceding paragraph shall be subject to change by the Secretary of the Interior at any time on 30 days notice: *Provided*, That in case such portion shall be increased, it shall be optional with the second party to continue under this agreement; *Provided further*, That notice to discontinue operations hereunder shall be filed in the proper United States Land Office within 10 days after the receipt of notice of such increased amount to be deposited in escrow.

7. That all interest accruing on the portion of such gross proceeds, deposited in said bank in escrow as aforesaid, shall be added to the principal at regular intervals in accordance with the previous understanding with said bank as indicated in the attached application; that in case the land department of the United States shall finally determine that under the law, rules, and regulations controlling the granting of patents to mineral lands, said second party is entitled to a patent to the land and premises described and applied for in said mineral application, and embraced by this contract, then and in that case, on the issuance of said patent the Secretary of the Interior shall so certify to said bank, whereupon said bank shall be authorized and deemed instructed by



the parties hereto, to pay over all moneys deposited therein under the terms hereof, with accumulated interest, to the second party; but in case the land department of the United States shall finally determine, in accordance with the law, its rules, regulations and practice, that the second party is not entitled to patent for the lands and premises embraced in this agreement, and same shall be finally rejected, *then* on receipt of the certificate of the Secretary of the Interior to that effect, said bank shall be authorized, and it shall be deemed to be instructed by the parties hereto, to pay over all of said payments and accrued interest to the Treasurer of the United States, whereupon all and every claim, right, title, or interest in said funds and accumulated interest, either on the part of the second party or any person claiming by, through or under him, shall cease and terminate; in either of the cases above described, operations under this contract shall cease and terminate on the issuance of the certificate of the Secretary of the Interior as aforesaid; but in case this contract shall, under any of the provisions hereof, be canceled prior to the final determination of the matter of said application for patent, any moneys theretofore deposited in escrow shall nevertheless remain so deposited until said application for patent shall be finally approved or rejected.

8. That in case a portion of the land embraced in this agreement shall be finally patented to applicant, and patent shall be denied for the remainder thereof, then such escrow deposits and accumulated interest hereinabove provided for shall be paid to the appli-

cant and to the Treasurer of the United States in such proportion as the area patented shall bear to the area for which patent shall be denied, as shown to said bank by the certificate of the Secretary of the Interior.

9. That the said purchaser of the oil and gas products and the said bank shall be furnished with copies hereof by the party of the first part, and same shall be deemed and constitute joint instructions to them respectively in so far as applicable.

10. That all the workings, operations, premises, equipment, books, and records of the second party, or any person claiming by, through, or under him, pertaining to, or included in, the subject-matter of this agreement, shall, at all times, be subject to inspection by the authorized representatives of the Department of the Interior, and such books, records, and accounts shall be kept and such reports made as the first party by the Secretary of the Interior or his authorized representatives shall, from time to time, direct.

11. Such deposits in escrow, when paid over to the Treasurer of the United States as herein provided, shall be and constitute full and complete payment, accord and satisfaction of all claims of the United States for trespass for any and all oil and gas removed from said premises during the period of, and under and subject to, this agreement, as against the applicant, producer or purchaser of such oil or gas products, who shall have in good faith and without collusion done and performed each and every act herein required to be performed by him or it, strictly

in accordance with this agreement, even though said application for patent shall be denied.

12. That this contract shall be binding on the heirs, assigns, and legal representatives of the second party hereto.

13. That in no case and under no circumstances or conditions shall the United States become liable to any person whatsoever under or by reason of this contract, or any of its provisions.

14. That failure or default on the part of the second party to comply strictly with the terms hereof shall render this contract subject to cancellation by the Secretary of the Interior at his option immediately on notice of such cancellation to the second party, and the decision of the said Secretary shall be final on the question of the existence of such failure or default.

15. That no Member of or Delegate to Congress, or Resident Commissioner, or officer or employee of the Department of the Interior, is or shall be admitted to any share or part in this agreement, or derive any benefit which may arise therefrom, and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States, approved March 4, 1909 (35 Stat. 1109), relating to contracts, enter into and form a part of this agreement, so far as the same may be applicable.

IN WITNESS WHEREOF, the said parties hereto have caused the execution of these presents by themselves or by their duly authorized officers,

agents, or representatives, as of the 30th day of March, 1916.

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Secretary of the Interior.

LOST HILLS MINING COMPANY,

By GEO. T. CAMERON,

President.

(Seal)

By R. A. MORTON,

Secretary.

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY,

By R. N. BISHOP,

President.

(Seal)

By R. A. MORTON,

Secretary.

KNOW ALL MEN BY THESE PRESENTS:

That the Lost Hills Mining Company, a corporation duly organized and existing under the laws of the State of California, and Universal Oil Company, a like corporation, hereby release the United States of and from any claim or demand whatsoever arising from the execution by the Secretary of the Interior of the Agreement (to which this waiver is attached) with the Lost Hills Mining Company for the disposition of oil and gas produced on and from the southwest one-quarter of Section thirty-two (32), township twenty-six (26), south, range twenty-one (21) east, Mount Diablo Base and Meridian, Kern County, California.

In Witness Whereof, the said Lost Hills Mining Company and the said Universal Oil Company have

caused their corporate names and seals to be hereunto affixed by their duly authorized officers pursuant to a resolution duly adopted by the Board of Directors of said corporation.

Dated this 30th day of March, 1916.

LOST HILLS MINING COMPANY.

By GEO. T. CAMERON,  
President.

(Seal]                      By R. A. MORTON,  
Secretary.

UNIVERSAL OIL COMPANY,

By R. N. BISHOP,  
President.

(Seal]                      By R. A. MORTON,  
Secretary. [1047]

On motion of Director Gregg, seconded by Director Berry, it was

“RESOLVED, That the President and Secretary of LOST HILLS MINING COMPANY be and they are hereby authorized and directed to execute in the name of this corporation and under its corporate seal and as its corporate act and deed application for agreement under the Act of August 25th, 1914, (Public 187), together with agreement thereto attached for the disposition of oil and gas products pending the determination of application for patent, and also a waiver releasing the United States from any claim or demand whatsoever arising from the execution of said agreement for the disposition of oil and gas, a copy of which said application, Agreement



and Waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Lost Hills Mining Company, a corporation, duly organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California.

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

(Seal)

R. A. MORTON,  
Secretary. [1048]

“RESOLVED, That this Company, Universal Oil Company, does hereby consent and agree to the applications of the Lost Hills Mining Company for leasing agreements under the Act of August 25th, 1914, and

FURTHERMORE, in consideration of the benefits obtained and to be obtained, this Company further ratifies and approves the terms of said leasing agreements and all thereof as the same shall be executed and entered into by and between the Lost Hills Mining Company and the Interior Department of the United States under said Act of Congress, and

BE IT FURTHER RESOLVED, That this Company shall and does hereby waive and release the United States from any claim or demand whatsoever

arising from the execution of said agreements for the disposition of oil and gas, a copy of said application, agreement and waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Universal Oil Company, a corporation, duly organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California.

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

(Seal)

R. A. MORTON,  
Secretary. [1049]

Wm. H. Crocker, President.  
C. E. Green, Vice-President.  
Jas. J. Fagan, Vice-President.  
W. Gregg, Jr., Cashier.  
J. B. McCargar, Asst. Cashier.  
G. W. Ebner, Asst. Cashier.  
B. D. Dean, Asst. Cashier.  
J. M. Masten, Asst. Cashier.  
John Clausen,  
Manager Foreign Department.

United States Depositary.  
\_\_\_\_\_  
Cable Address: Crockwool.

THE CROCKER NATIONAL BANK  
OF SAN FRANCISCO.

March 30th, 1916.

Hon. Secretary of the Interior,  
Lost Hills Mining Company,  
San Francisco, California.

Gentlemen: The Crocker National Bank of San Francisco will allow interest at the rate of two per cent per annum on average daily balance computed and added monthly on all sums deposited in escrow under the attached agreement.

THE CROCKER NATIONAL BANK OF  
SAN FRANCISCO,

By J. B. McCARGAR,  
Assistant Cashier. [1050]

Copy of Resolution of the Board of Directors of the Lost Hills Mining Company passed at a meeting of the Board of Directors, held on the 29th day of March, 1916, at the office of the Company, Crocker Building, San Francisco, California, duly convened and held.

“WHEREAS, this Company, Lost Hills Mining Company, a corporation organized and existing under and by virtue of the laws of the State of Cali-

fornia, is making application for leasing agreements under the Act of August 25th, 1914, with the Interior Department of the United States covering the following-described property:

NW.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

SE.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

NE.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

SW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

NW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

WHEREAS, it is necessary to have this Company represented by an Attorney in Fact when said applications are presented to the Interior Department and to the other Departments of the United States Government;

NOW, THEREFORE, upon motion duly moved, seconded and unanimously carried, be it

RESOLVED, That Joseph D. Redding, Attorney Counsel for and Director in, this Company, be, and he hereby and by these presents is, constituted and appointed the true and lawful attorney for this Company and in the name, place and stead of this Company, Lost Hills Mining Company, to represent this Company and to act on its behalf in presenting said applications before the Interior Department and all other departments of the Government of the United States, with full power and authority hereby given and vested in said Joseph D. Redding to sign and

execute said agreements and applications and all corrections and amendments thereto, which may be made by the said Interior Department and which shall meet the approval of said Attorney in Fact of this Company.

GIVING AND GRANTING UNTO the said Attorney of this Company, Lost Hills Mining Company, full power and authority to do and to perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as this Company and its Board of Directors might or could do if it and they were personally present or were executing said application by the signatures of the President and Secretary and under the seal of said Company, hereby ratifying and confirming all that the said Attorney in Fact shall lawfully do or cause to be done by virtue of these presents.

I, R. A. Morton, Secretary of Lost Hills Mining Company, a corporation created, organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a meeting of the Board of Directors of said corporation, duly convened and held at the office of the Company in the City and County of San Francisco, State of California, on the 29th day of March, 1916.  
[1051]

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation this 30th day of March, 1916.

R. A. MORTON. (Seal)  
Secretary of Lost Hills Mining Company. [1052]



EXHIBIT "E."

4—010

Approved by the Department November 21, 1914.

APPLICATION FOR AGREEMENT UNDER THE  
ACT OF AUGUST 25, 1914 (PUBLIC 187.)

San Francisco, California, March 30th, 1916.

The undersigned, LOST HILLS MINING COMPANY, hereby applies for an agreement or contract with the Secretary of the Interior for the disposition of oil and gas from the lands hereinafter described, as authorized under the act of Congress, approved August 25, 1914 (Public 187). In support of said application this applicant respectfully represents as follows, which representations the said applicant hereby warrants to be true and correct.

1. That it is the identical person or corporation,  
(He or it.)

who under date of November 25th, 1911, filed in the local land office at Visalia, State of California, mineral application, serial number 03448 for the Petroleum Placer Mining *placer claim*, embracing the Northwest One-quarter of Section 32, Township 26 South, Range 21 East, in the Visalia land district, State of California.

2. That the applicant desires the contract or agreement herein applied for to embrace the following described lands: The Northwest One-quarter of Section 32, Township 26 South, Range 21 East, being the Petroleum Placer Mining Claim.

3. That oil or gas was discovered, or was being produced, upon the lands covered by this application

on or before August 25, 1914, ~~or drilling operations were in actual progress on October 3, 1910.~~

(Strike out whichever is not appropriate.)

4. That, so far as known to applicant, the following enumerated persons or corporations are the only ones claiming any right, title, or interest in and to said lands or any portion thereof, or to the oil or gas produced therefrom, and their respective interests are herein set forth.

Name.

Interest.

Lost Hills Mining Company, holder of legal title and applicant for patent, and Universal Oil Company operating said property under resolution of the Board of Directors of Lost Hills Mining Company dated January 17th, 1912, certified copy of said resolution hereto attached.

(A fuller statement of interest may be attached if desired.)

5. That the number of wells being operated on the land covered by this application for an agreement or contract is eleven, and the approximate daily gross production of each well at the present time is as follows: #7—110 Bbls.; #8—Gas; #11—23 Bbls.; #12—71 Bbls.; #24—65 Bbls.; #25—Gas; #28—41 Bbls.; #31—34 Bbls.; #32—18 Bbls.; #33—31 Bbls.; #34—17 Bbls.

6. That contracts for the sale and purchase of the oil and gas products arising from the operations to be carried on under the agreement herein applied for, on the lands covered thereby, have been entered into with the following and no others: Associated Oil Company, a corporation organized under the laws

of California. Duly authenticated copy of each of said contracts is hereto attached and made a part of this application.

7. That the portion of the gross proceeds arising from the sale of the oil and gas which is to be placed in escrow during the life of the contract or agreement herein applied for, will be deposited in the Crocker National Bank of S. F. Bank. There is (Must be a national bank.)

hereto attached a statement by the assistant cashier of  
(Officer.)

said bank which sets forth the rate of interest to be allowed on said escrow deposit and the method by which said interest is to be computed.

8. That there are hereto attached duly executed waivers by each and every one of the parties claiming an interest as specified in paragraph four, releasing the United States from any claim or demand whatsoever arising from the execution of this agreement by the Secretary of the Interior.

LOST HILLS MINING COMPANY. (Seal)

(Name of applicant.)

By GEO. T. CAMERON,  
Pres.

By R. A. MORTON,  
Secretary.

San Francisco, Cal.  
(Address.)

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY. (Seal)  
(Corporate seal if corporation be the applicant.)

By R. N. BISHOP,  
Pres.

By R. A. MORTON,  
Sec. [1053]

George T. Cameron, being first duly sworn, deposes and says he is the President of Lost Hills Mining Company named in the foregoing application; that he has read the foregoing application and knows the contents thereof and that the facts therein stated are true according to the best of his knowledge, information, and belief.

GEORGE T. CAMERON.

Subscribed and sworn to before me this — day  
of —.

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Notary Public.

### INSTRUCTIONS.

1. This application can be made and the contract executed only by an applicant for mineral patent for oil or gas lands embraced in an order of withdrawal.

2. The application and the contract must be executed in triplicate and filed in the local land office in the district in which the lands are situated. One set only of the exhibits accompanying the application need be authenticated, but the others must be true copies.

3. In the option of the applicant, the application

and contract may cover all the land embraced in the application for patent or one or more legal subdivisions thereof.

4. The form of waiver provided for in section 8 of the application must be absolute and unconditional, and if by a corporation, proper evidence of authority for the execution of such instrument must be attached.

5. Immediately upon filing of the application and contract, properly executed, the Register and Receiver will assign to them the same serial number that the application for patent bears and will forthwith transmit them by special letter to the Commissioner of the General Land Office.

#### AGREEMENT.

Under Act of August 25, 1914 (Public No. 187), for disposition of oil and gas products pending determination of proceedings for patent.

THIS AGREEMENT made and entered into by and between the Secretary of the Interior, acting for and in behalf of the United States, party of the first part, and LOST HILLS MINING COMPANY, hereinafter called the applicant, party of the second part:

WITNESSETH, That for and in consideration of the attached application and of the mutual covenants and agreements hereinafter provided, and the rights and privileges hereby granted, the parties hereto agree as follows:

1. That this agreement is made on the basis of the statements and representations made by the applicant in the attached application, which statements



and representations the applicant warrants to be true and correct; it being further agreed that in case such statements and representations shall be found by the Secretary of the Interior to be untrue or incorrect in any material respect, such finding shall render this agreement subject to cancellation by said Secretary at his option and on notice to the party of the second part.

2. That commencing on the date of this agreement, and continuing for the period pending the determination by the Secretary of the Interior of the title to the land embraced in the attached application, or such other disposition of the same as may be authorized by law, under the rules, regulations, and practice of the land department of the United States, said applicant and all persons claiming by, through or under him, as indicated in the attached application, shall be authorized to work and operate in and upon said lands for the production of oil and gas therefrom in the manner and on the terms and conditions herein provided and not otherwise.

3. That the applicant shall conduct all drilling, pumping, and other operations for the production, storage, and sale of the oil and gas products from said land in workmanlike manner in accordance with approved practices and methods of operation for the prevention of waste or damage to said lands, or to other lands, for oil and gas producing purposes; and to this end applicant agrees to comply promptly and at his own expense with all reasonable rules, regulations, and requirements of the said Secretary of the Interior, his duly authorized agents and repre-

sentatives for the prevention of damage and waste as aforesaid.

4. That all of the oil and gas products of a marketable character arising from the operations provided for in the last preceding paragraph shall be sold and disposed of in accordance with the contract or contracts for the sale and purchase of such products submitted with, and as a part of, the attached application, or such contract or contracts as may hereafter be entered into with the approval of the Secretary of the Interior.

5. That one-eighth of the gross proceeds, arising from the sale of such oil and gas products, as provided in the preceding paragraph, shall be deposited by the purchaser or purchasers thereof, in the national bank designated in said application, to be held by said bank in escrow, as in this contract provided, such payments to be made monthly on or before the tenth day of each month for all oil and gas sold during the preceding month; the balance (seven-eighths of such gross proceeds) shall be paid to the party or parties entitled thereto; full and detailed statements of accounts of sales and purchases, as aforesaid, shall be made by said purchaser in triplicate, one to accompany the payment to said bank, one to the Chief of Field Division of the General Land Office in whose division said land is situated, and one to the party of the second part:

6. That said portion of the gross proceeds, to be deposited in said bank in escrow, as provided in the last preceding paragraph shall be subject to change by the Secretary of the Interior at any time on 30

days's notice; Provided, That in case such portion shall be increased, it shall be optional with the second party to continue under this agreement; Provided further, That notice to discontinue operations hereunder shall be filed in the proper United States Land Office within 10 days after the receipt of notice of such increased amount to be deposited in escrow.

7. That all interest accruing on the portion of such gross proceeds, deposited in said bank in escrow as aforesaid, shall be added to the principal at regular intervals in accordance with the previous understanding with said bank as indicated in the attached application; that in case the land department of the United States shall finally determine that under the law, rules, and regulations controlling the granting of patents to mineral lands, said second party is entitled to a patent to the land and premises described and applied for in said mineral application, and embraced by this contract, then and in that case, on the issuance of said patent the Secretary of the Interior shall so certify to said bank, whereupon said bank shall be authorized and deemed instructed by the parties hereto, to pay over all moneys deposited therein under the terms hereof, with accumulated interest, to the second party; but in case the land department of the United States shall finally determine, in accordance with the law, its rules, regulations and practice, that the second party is not entitled to patent for the lands and premises embraced in this agreement, and same shall be finally rejected, *then* on receipt of the certificate of the Secretary of the Interior to that effect, said bank shall be author-

ized, and it shall be deemed to be instructed by the parties hereto, to pay over all of said payments and accrued interest to the Treasurer of the United States, whereupon all and every claim, right, title, or interest in said funds and accumulated interest, either on the part of the second party or any person claiming by, through or under him, shall cease and terminate; in either of the cases above described, operations under this contract shall cease and terminate on the issuance of the certificate of the Secretary of the Interior as aforesaid; but in case this contract shall, under any of the provisions hereof, be canceled prior to the final determination of the matter of said application for patent any moneys theretofore deposited in escrow shall nevertheless remain so deposited until said application for patent shall be finally approved or rejected.

8. That in case a portion of the land embraced in this agreement shall be finally patented to applicant, and patent shall be denied for the remainder thereof, then such escrow deposits and accumulated interest hereinabove provided for shall be paid to the applicant and to the Treasurer of the United States in such proportion as the area patented shall bear to the area for which patent shall be denied, as shown to said bank by the certificate of the Secretary of the Interior.

9. That the said purchaser of the oil and gas products and the said bank shall be furnished with copies hereof by the party of the first part, and same shall be deemed and constitute joint instructions to them respectively in so far as applicable.



10. That all the workings, operations, premises, equipment, books, and records of the second party, or any person claiming by, through, or under him, pertaining to, or included in, the subject-matter of this agreement, shall, at all times, be subject to inspection by the authorized representatives of the Department of the Interior, and such books, records, and accounts shall be kept and such reports made as the first party by the Secretary or his authorized representatives shall, from time to time, direct.

11. Such deposits in escrow, when paid over to the Treasurer of the United States as herein provided, shall be and constitute full and complete payment, accord, and satisfaction of all claims of the United States for trespass for any and all oil and gas removed from said premises during the period of, and under and subject to, this agreement, as against the applicant, producer or purchaser of such oil or gas products, who shall have in good faith and without collusion done and performed each and every act herein required to be performed by him or it, strictly in accordance with this agreement, even though said application for patent shall be denied.

12. That this contract shall be binding on the heirs, assigns, and legal representatives of the second party hereto.

13. That in no case and under no circumstances or conditions shall the United States become liable to any person whatsoever under or by reason of this contract, or any of its provisions.

14. That failure or default on the part of the second party to comply strictly with the terms hereof



shall render this contract subject to cancellation by the Secretary of the Interior at his option immediately on notice of such cancellation to the second party, and the decision of the said Secretary shall be final on the question of the existence of such failure or default.

15. That no Member of or Delegate to Congress, or Resident Commissioner, or officer or employee of the Department of the Interior, is or shall be admitted to any share or part in this agreement, or derive any benefit which may arise therefrom, and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States, approved March 4, 1909 (35 Stat. 1109), relating to contracts, enter into and form a part of this agreement, so far as the same may be applicable.

IN WITNESS WHEREOF, the said parties hereto have caused the execution of these presents by themselves or by their duly authorized officers, agents, or representatives, as of the 30th day of March, 1916.

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Secretary of the Interior.

LOST HILLS MINING COMPANY. (Seal)

By GEO. T. CAMERON,  
President.

By R. A. MORTON,  
Secretary.

The Universal Oil Company consents to and joins in the foregoing application.

UNIVERSAL OIL COMPANY. (Seal)

By R. N. BISHOP,  
President.

By R. A. MORTON,  
Secretary.

KNOW ALL MEN BY THESE PRESENTS:  
That the Lost Hills Mining Company, a corporation duly organized and existing under the laws of the State of California, and Universal Oil Company, a like corporation, hereby release the United States of and from any claim or demand whatsoever arising from the execution by the Secretary of the Interior of the Agreement (to which this waiver is attached) with the Lost Hills Mining Company for the disposition of oil and gas produced on and from the Northwest One-quarter of Section Thirty-two (32), Township Twenty-six (26) South, Range Twenty-one (21) East, Mount Diablo Base and Meridian, Kern County, California.

In Witness Whereof, the said Lost Hills Mining Company and the said Universal Oil Company have caused their corporate names and seals to be hereunto affixed by their duly authorized officers pursuant to a resolution duly adopted by the Board of Directors of said corporation.

Dated this 30th day of March, 1916.

LOST HILLS MINING COMPANY. (Seal)

By GEO. T. CAMERON,  
President.

By R. A. MORTON,  
Secretary.

UNIVERSAL OIL COMPANY. (Seal)

By R. N. BISHOP,  
President.

By R. A. MORTON,  
Secretary. [1054]

On motion of Director Gregg, seconded by Director Berry, it was

“RESOLVED, That the President and Secretary of LOST HILLS MINING COMPANY be and they are hereby authorized and directed to execute in the name of this corporation and under its corporate seal and as its corporate act and deed application for agreement under the Act of August 25th, 1914 (Public 187), together with the Agreement thereto attached for the disposition of oil and gas products pending the determination of application for patent, and also a waiver releasing the United States from any claim or demand whatsoever arising from the execution of said agreement for the disposition of oil and gas, a copy of which said application, Agreement and Waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Lost Hills Mining Company, a corporation, duly organized and existing under the laws of the State of California, hereby certify that the foregoing is a full, true and correct

copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California.

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

R. A. MORTON, (Seal)  
Secretary. [1055]

“RESOLVED, That this Company, Universal Oil Company, does hereby consent and agree to the applications of the Lost Hills Mining Company for leasing agreements under the Act of August 25th, 1914, and

FURTHERMORE, in consideration of the benefits obtained and to be obtained, this Company further ratifies and approves the terms of said leasing agreements and all thereof as the same shall be executed and entered into by and between the Lost Hills Mining Company and the Interior Department of the United States under said Act of Congress, and

BE IT FURTHER RESOLVED, That this Company shall and does hereby waive and release the United States from any claim or demand whatsoever arising from the execution of said agreements for the disposition of oil and gas, a copy of said application, agreement and waiver are hereto attached and hereby made a part of this resolution.”

I, R. A. Morton, as Secretary of Universal Oil Company, a corporation, duly organized and existing

under the laws of the State of California, hereby certify that the foregoing is a full, true and correct copy of a resolution of said corporation, at which meeting a quorum of said Board was present and acting, and which meeting was regularly called and held on the 29th day of March, 1916, at the office of the said corporation in the City of San Francisco, County of San Francisco, State of California.

IN WITNESS WHEREOF, on the 29th day of March, 1916, I have hereunto set my hand and affixed the seal of said corporation.

R. A. MORTON, (Seal)  
Secretary. [1056]

Wm. H. Crocker, President.  
C. E. Green, Vice-President.  
Jas. J. Fagan, Vice-President.  
W. Gregg, Jr., Cashier.  
J. M. McCargar, Asst. Cashier.  
G. W. Ebner, Asst. Cashier.  
B. D. Dean, Asst. Cashier.  
J. M. Masten, Asst. Cashier.

United States Depositary.  
\_\_\_\_\_  
Cable Address: Crockwool.

John Clausen,  
Manager Foreign Department.

## THE CROCKER NATIONAL BANK OF SAN FRANCISCO.

March 30th, 1916.

Hon. Secretary of the Interior,  
Lost Hills Mining Company,  
San Francisco, California.

Gentlemen: The Crocker National Bank of San Francisco will allow interest at the rate of two per cent per annum on average daily balance computed and added monthly on all sums deposited in escrow



under the attached agreement.

THE CROCKER NATIONAL BANK OF  
SAN FRANCISCO,

By J. B. McCARGAR,  
Assistant Cashier. [1057]

Copy of Resolution of the Board of Directors of the Lost Hills Mining Company passed at a meeting of the Board of Directors, held on the 29th day of March, 1916, at the office of the Company, Crocker Building, San Francisco, California.

“WHEREAS, this Company, Lost Hills Mining Company, a corporation organized and existing under and by virtue of the laws of the State of California, is making application for leasing agreements under the Act of August 25th, 1914, with the Interior Department of the United States covering the following-described property:

NW.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

SE.  $\frac{1}{4}$  Sec. 30, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

NE.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

SW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

NW.  $\frac{1}{4}$  Sec. 32, Tp. 26 S., R. 21 E., M. D. B. M., Kern Co., Cal.

WHEREAS, it is necessary to have this Company represented by an Attorney in Fact when said applications are presented to the Interior Department and the other Departments of the United States Government;

NOW, THEREFORE, upon motion duly moved, seconded and unanimously carried, be it

RESOLVED, That Joseph D. Redding, Attorney, Counsel for and Director in, this Company, be, and he hereby and by these presents is, constituted and appointed the true and lawful attorney for this Company and in the name, place and stead of this Company, Lost Hills Mining Company, to represent this Company and to act on its behalf in presenting said applications before the Interior Department and all other departments of the Government of the United States, with full power and authority hereby given and vested in said Joseph D. Redding to sign and execute said agreements and applications and all corrections and amendments thereto, which may be made by the said Interior Department and which shall meet the approval of said Attorney in Fact of this Company.

GIVING AND GRANTING UNTO the said Attorney of this Company, Lost Hills Mining Company, full power and authority to do and to perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as this Company and its Board of Directors might or could do if it and they were personally present or were executing said application by the signatures of the President and Secretary and under the seal of said Company, hereby ratifying and confirming all that the said Attorney in Fact shall lawfully do or cause to be done by virtue of these presents."

I, R. A. Morton, Secretary of Lost Hills Mining

Company, a corporation created, organized and existing under the laws of the State of California, hereby CERTIFY THAT the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a meeting of the Board of Directors of said corporation, duly convened and held at the office of the Company in the City and County of San Francisco, State of California, on the 29th day of March, 1916.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation this 30th day of March, 1916.

R. A. MORTON, (Seal)

Secretary Lost Hills Mining Company. [1058]

Mr. HALL.—I would like the privilege of asking Mr. Redding and counsel in the case, is it not a fact that long prior to the 12th day of June, 1916, I advised you personally of the intention of the Government to apply for a receiver in this case, and told you that I would not commence or give any notice of our intention to apply for a receiver until after you had time to make application to the Secretary for a leasing contract.

—Mr. REDDING.—I think you did, Mr. Hall. You did. I think you gave me the opportunity of applying for these leasing contracts after the suit was filed and before any application for a receiver was served upon me. [1059]

San Francisco, California, August 29, 1916,  
10 o'clock A.M.

(Thereupon Mr. Redding offered in evidence in A-52 and A-57 the affidavit of E. R. Dudley, which was sworn to on the 8th day of April, 1916, and

marked Defendants' Lost Hills Exhibit "F," which is as follows:) [1060]

**Lost Hills Exhibit "F"—Affidavit of E. R. Dudley.**  
State of California,  
City and County of San Francisco,—ss.

E. R. Dudley, lawfully being duly sworn, deposes and says:

That my present address is 353 Bellevue Avenue, Oakland, Alameda County, California.

During the years 1909-1910 I was a member of the firm of Martin and Dudley, who are the Martin and Dudley mentioned in the two contracts of October 27, 1909, and November 8, 1909, and also mentioned in other contracts between Martin and Dudley and the Lost Hills Mining Company, and which contracts refer to Sections 18, 20, 28, 30 and 32 in Township 26 South of Range 21 East, Mount Diablo Base and Meridian, Kern County, California.

During the spring of the year 1909, sometime in the month of May, Orlando D. Barton, the agent of the locators of these several sections and the agent of the Lost Hills Mining Company which had succeeded in interest to the locators, called upon Martin and myself at the town of Hanford, Kings County, California, and proposed to us that we should visit these properties for the purpose of engaging in the business of sinking oil wells thereon and developing these properties for oil and petroleum. Almost immediately thereafter we did visit these properties, and went over Sections 30, 32, Section 18 and other sections in detail. I personally visited these properties in connection with this business several times during



the spring and summer of 1909. The terms of the contract between Martin and Dudley on the one side and the Lost Hills Mining Company on the other were thoroughly agreed upon and understood by the month of July, 1909. The formal writing out of this contract and the execution of it was left [1061] to Judge Wallace, after we had agreed upon its terms, and, as I recall, the contract was not actually signed until sometime in October, 1909. Following upon the arrangement and agreement being understood in the summer of 1909 I again went to the Lost Hills Region and went over carefully Sections 30 and 32. I remember distinctly being upon Section 30 on or about September 2d or 3d, 1909, and having with me and in my employ a carpenter by the name of Smith, I was figuring with him upon the best locality upon which to establish our first rig, and also arranging for certain carpenter work to be done. I remember distinctly that just about this time, early in September, Martin and Dudley, which includes myself, put in an order for a standard rig for use on these properties. This order was sent to Los Angeles, and in due course we received the rig. We realized that this was a large undertaking, and there were a great many preliminary things to do before we went at the job in a wholesale manner. From and after this date; namely, about the 2d or 3d of September, 1909, I was constantly and continuously busy in preparing the necessary things and getting the materials in shape in order to sink wells. With reference to the SW. $\frac{1}{4}$  of Section 32, township 26 south, 21 east, I remember distinctly that we moved the rotary rig on to this



quarter section early in the summer of 1910. It must have been in the month of July. I had charge of this rig myself, and we worked daily on this rig and in the sinking of the well underneath this rig from that period on. We sunk the well by this rig on the SW. $\frac{1}{4}$  of 32 during the months of July, August and September, 1910, to a depth of at least 400 feet, and came into oil-bearing sand, but our work with this rig was interrupted and stopped by not having sufficient water at the particular time, and we also encountered certain physical difficulties. I think that the hole became twisted. I know that we were [1062] delayed in finishing this particular hole, and we very soon thereafter established another rig upon the same quarter-section and sunk a new hole. The only delay we had in continuing our sinking was occasioned by the shortage of water and by the difficulties in sinking and by the usual mishaps which occur in this business, and particularly in a new field like this. There was not a single day from July, 1909, and thence on for the next two years, and until we sold out our interests, that I was not actually, actively, and physically busy on these properties, or doing business elsewhere with reference to these properties, in the shape of getting materials, purchasing tools, engaging workmen and doing the thousand and one things which pertain to the drilling business.

When Mr. Barton called upon us in Hanford he told us that C. W. Barrett, who had a drilling contract on these lands, was liable to fall down and that although his contract did not expire until June, 1909, the locators of the Lost Hills Mining Company did

not want to delay in their operations, and therefore they wanted us to prepare to get busy as soon as Barrett's contract expired. We utilized the roads which Barrett and Butts had built over Section 30 and 32, and we repaired them and kept them up. We also used the buildings, mangers, and rig material which Barrett had left on these properties. Soon after we commenced to drill we changed the central plant from Section 18 to Section 30. We had great difficulty with our water supply, and with the transportation of fuel for our boilers, and our progress at first was slow on account of these difficulties.

(Signed) E. R. DUDLEY.

Subscribed and sworn to before me this 8th day of April, 1916.

C. D. HAMMEL,  
Special Agent. [1063]

Mr. McWILLIAMS.—I desire in the Devil's Den Consolidated case, being A-37, to offer and read in evidence the affidavit of Mr. F. M. Anderson in rebuttal of one of the affidavits heretofore offered by the Government. The affidavit was subscribed and sworn to the 25th day of August, 1916, and acknowledged before R. B. Treat, notary public of this city and county.

(Thereupon Mr. McWilliams offered and read in evidence the affidavit of F. M. Anderson, which is as follows:) [1064]

**Affidavit of F. M. Anderson.**

State of California,  
City and County of San Francisco,—ss.

F. M. Anderson, being first duly sworn, deposes and says:

That in the spring of the year 1913, I made a trip to the northeast quarter of Section thirty (30), township twenty-six (26) south, range twenty-one (21) east, M. D. B. & M., and other neighboring lands in that vicinity, in company with C. L. McDonald, representing the Acme Cement Plaster Company, for the purpose of investigating the quality of gypsite to be found on said quarter-section. During our examination of the lands, numerous samples of the gypsite were gathered together by Mr. McDonald. After an examination of the deposits of gypsite on said tract of land, and an inspection of the samples taken therefrom, the said C. L. McDonald stated to me, in answer to my suggestion that a material part of said gypsite could probably be used by his company, that, in his opinion, it could all be used; the different qualities of said gypsite being used for the different purposes to which it was adapted.

F. M. ANDERSON.

Subscribed and sworn to before me this 25th day of August, 1916.

[Seal]

R. B. TREAT,  
Notary Public in and for the City and County of San  
Francisco, State of California. [1065]

**Testimony of Thomas H. Means, for Defendant.**

THOMAS H. MEANS, a witness produced by the defendant, being first duly sworn, testified as follows :

Direct Examination.

(By Mr. McWILLIAMS.)

The WITNESS.—I am an agricultural engineer. I have been engaged in that business twenty some odd years. I am engaged in San Francisco with the firm of Symmes & Means. I have been engaged in that business in this city six years.

I was educated in Columbian University, Washington City. I secured the degree of Bachelor of Science and Master of Science from that institution. I specialized upon agricultural geology in that institution. After I graduated from there and secured my degrees, I spent nine years in the Department of Agriculture in Washington. After that, six years in the Reclamation Service, a branch of the Department of the Interior.

I was in the Bureau of Soils while I was with the Department of Agriculture at Washington, engaged in the investigation of soils. For a while I was in charge of the soil survey and later in work in western soils, particularly irrigated soils. I spent about three years of that time in investigation of alkali land and the methods of reclaiming them in various parts of the west.

The best all around method known for reclaiming alkali lands is drainage. Gypsum is the only known chemical correction of black alkali, that has been used

(Testimony of Thomas H. Means.)

practically. It is now becoming rather common in use in various parts of the west. I think its use is increasing at the present time. In my opinion its use will increase in the future; as the value of alkali lands becomes better known and their value increases, it will cause considerable increase in the use of gypsum.

Q. Is there any considerable amount of this alkali [1066] land which you mention in California?

A. Yes; large quantities.

The WITNESS.—(Continuing.) It is very difficult to say approximately how much of this kind of land there is that would be benefited by the use of gypsum in the State of California, because we have not information about the whole State. But in the San Joaquin Valley I think there are between one and two million acres of land, more or less, which are charged with alkali and generally contain some black alkali. All that land that is charged with black alkali would be benefited by the use of gypsum, and black alkali is a very common element in the San Joaquin Valley soils.

Black alkali lands are not confined to the San Joaquin Valley; they are common all over the west and California. But there are between one and two million acres of land in the San Joaquin Valley that would be benefited by the use of gypsum by reason of the character of the soil.

I know where what are known as the Lost Hills, near Wasco, are located. That particular section of land is within the area that I have just referred to as



(Testimony of Thomas H. Means.)

being benefited by the use of gypsum. In other words, that is within the limits of the San Joaquin Valley.

I am not familiar with the quantity of gypsum that is available in the State of California. I know that gypsum is not commonly found, and the locations—the amounts are small, comparatively speaking, and on the locations in general, as gypsum is not generally found over this State.

Q. So far as you know, there is no supply of gypsum that is greater in quantity than the quantity found in the section I have referred to?

A. I know of no other deposits except on the desert [1067] side of the mountains, except those in the San Joaquin Valley.

The WITNESS.—(Continuing.) I know the price at which gypsum has been sold in California in recent years. It varied from five dollars a ton to—I know of some selling as high as \$14. I have bought some for that price.

Q. What is the nature of your information upon that subject?

A. I have made occasional inquiry into the price of gypsum in various parts of the State and have a number of times used it.

The WITNESS.—(Continuing.) It is by reason of having purchased it myself that I am familiar with the price.

Cross-examination.

(By Mr. HALL.)

The WITNESS.—The percentage of purity re-

(Testimony of Thomas H. Means.)

quired in gypsum to be used for land plaster depends altogether on the distance to which that gypsum had to be hauled. In other words, if you do not have to pay freight for any great distance, you can use more impure gypsum than if you had to haul it a long way, provided the impurities are not objectionable.

Q. Would you say it would be economical to use gypsum which runs from 65 to 75 per cent pure where it had to be hauled overland some 30 miles with freight rates at from four to seven dollars a ton, as compared with 65 per cent gypsum which could be produced at the town of Amboy on the railroad at a dollar a ton?

A. No; I would not consider it economical to pay six dollars freight if you can buy it for a dollar a ton on the railroad.

Q. Wouldn't it be more economical if both classes of [1068] gypsum were placed in the same position with respect to the land which was to be plastered, if one gypsum was 90 to 100 per cent pure and the other was only 65 per cent pure?

A. There would be a difference in direct relation to the amount of gypsum present in the material.

The WITNESS.—(Continuing.) In other words, the foreign contents would regulate their value.

I had no analysis made of the gypsum which I paid \$14 a ton for. It was commercial gypsum that I purchased from some fertilizer company. I don't remember just what company it was.

Q. Was it just simply a pure ground gypsum or was it an admixture with other fertilizer?

(Testimony of Thomas H. Means.)

A. No; it was gypsum.

Q. Pure gypsum?      A. Yes.

Q. When was it that you did that?

A. It was somewhere between 1911 and 1913. I don't remember which year.

The WITNESS.—(Continuing.) I have not paid any such prices as that recently. This point was on the railroad but it was in the Sacramento Valley. I presume quite a part of that was there. That was a long distance from any of the deposits of gypsum in the San Joaquin Valley; it was at the extreme end of the Sacramento Valley.

I am familiar with the publications of the Geological Survey.

Q. You stated on direct examination that the uses of gypsum as a land plaster were largely increasing in the United States?      A. Yes.

Q. I invite your attention to page 265 of the bulletin issued by the Geological Survey for 1914, which has the following [1069] title: "The Gypsum Industry in 1914, by G. F. Lawson." You are acquainted with Professor Lawson?

A. I met him years ago.

Q. Examine the tabulation found on page 265, and I refer to the State of California as shown there. Doesn't it show that in the year 1913 there were 6,209 tons of gypsum ground for land plaster which had a value of \$15,700. Now look just below in the table for 1914 opposite the State of California, and isn't it a fact that the number of tons of ground gypsum used for land plaster was 5,199 tons, and that the

(Testimony of Thomas H. Means.)

value of that was \$14,334? According to that table both the quantity and the price of gypsum were diminishing as between the years 1913 and 1914?

A. That is true.

Mr. HALL.—May I pause at this point to add to the exhibit “Mineral Resources” introduced by Mr. Dunne, an erratum which has been added to the pamphlet form of that publication which reads as follows: “Erratum. Page 263, last full paragraph, last sentence, should read: ‘All the gypsum of the Panama California Building, and at least 80 per cent of that of the Panama Pacific Building was quarried near Nephi, Utah. A considerable amount of the Panama Pacific Building is also said to have been quarried in Nevada.’ ”

Mr. DUNNE.—I understand now that this publication is in evidence, is it not?

Mr. HALL.—That is not in evidence, but I want to add to your exhibit that erratum.

Mr. DUNNE.—Where is that page that you showed this witness?

Mr. HALL.—265.

Mr. DUNNE.—That is, for the years 1913 and 1914?

Mr. HALL.—Yes. If you had read that Mineral Resources [1070] carefully you would have found the same thing.

Mr. DUNNE.—I call your Honor’s attention to the use of gypsum, the amount of gypsum, the value of crude and calcined gypsum in the United States, for the period from 1880 to 1914, inclusive. That is on

(Testimony of Thomas H. Means.)

the first page. And I call your Honor's attention to the showing for the years previous to 1913 and 1914 in the Mineral Resources. There is some slight falling off for the year that Mr. Hall has called your Honor's attention to. But by and large, for the series of years, you will see how the curve mounts.

Mr. HALL.—And referring to the diminishing quantity of gypsum that is used for land plaster?

Mr. DUNNE.—Yes. You took one year in a long series of years and showed a slight falling off. I don't think that has any significance at all.

Q. (By Mr. HALL.) Take the table on page 263 of this bulletin. In 1902 does this table not show that the value of gypsum for land plaster was \$1.75 a ton?

A. It gives the average price per short ton.

Q. And in 1903 it was \$2.08 per ton.

The COURT.—Does that mean at the quarry?

Mr. HALL.—The prices in the United States. The average price per short ton of crude and calcined gypsum from 1902 to 1914.

The COURT.—In the open market?

Mr. HALL.—It says the price in 1914 made a marked advance, the highest in seven years.

Mr. DUNNE.—The price in 1914 was the highest in how many years?

Mr. HALL.—The price in 1914 made a marked advance and was the highest in seven years, and the price in 1914 for land plaster was \$1.80. [1071]

Mr. McWILLIAMS.—You understand that that is at the quarries?



(Testimony of Thomas H. Means.)

Mr. HALL.—It does not say where it was.

Mr. DUNNE.—That could not include freight rates.

Q. (By Mr. HALL.) Examine page 264 of this bulletin which reads as follows: "The quantity of raw gypsum ground and sold for land plaster amounted to 52,945 short tons valued at \$97,716 in 1914, compared with 54,815 tons, valued at \$95,953 in 1913, a decrease in quantity of 1870 short tons and an increase in value of \$1,763. The average price per ton at the mill received for land plaster was reported to be \$1.85 in 1914, compared with \$1.75 in 1913, \$2.02 in 1912, \$1.85 in 1911, \$2.05 in 1910.

Mr. DUNNE.—Has that publication been marked as an exhibit?

Mr. HALL.—This is merely the pamphlet form of what you have already introduced. If you want to produce your exhibit I will read it in the cross-examination.

Mr. DUNNE.—Not at all.

Q. (By Mr. HALL.) Have you made any analysis of the land plasters which have been used, to determine their gypsum contents?

A. No.

The WITNESS.—(Continuing.) I do not know what the per cent of pure gypsum was in this substance that I bought at Sacramento or in the Sacramento Valley for \$14 a ton, but I think it was reasonably pure. That plaster gypsum was about 75 or 80 per cent gypsum. I made no analysis of it. I bought it in small quantities. One or two tons. It

(Testimony of Thomas H. Means.)

was less than a carload lot, at any rate. I think it came from the San Joaquin Valley, but I don't know. It did not come from any of this land in controversy that I know of. [1072]

Q. In determining what treatment you would give to this black alkali land, isn't it necessary for the land engineer, such as yourself, to know the contents of the black alkali in the soil? A. Yes.

The WITNESS.—(Continuing.) Those things are figured on a chemical basis.

Q. So that you must know how much of this reagent in the form of land plaster you must add to the land in order to overcome the effect of black alkali?

A. Yes.

Q. How can you do that if you don't know the per cent of gypsum you have?

A. If I had a large amount to do I would surely make an analysis both of the gypsum and the land plaster, and would always add an excess of gypsum. So in a small experiment I would probably use too much gypsum.

Q. Did you make any such experiment as this up in the Sacramento Valley?

A. That was not for alkali land reclamation that it was used. It was used on a heavy soil simply to break up the heavy soil. I took it as a corrective to the heavy soil.

Q. And it didn't make much difference whether it was 50 per cent or 60 per cent or 100 per cent?

A. Yes, it does in that case as well as the other. The active principle is the gypsum.

(Testimony of Thomas H. Means.)

The WITNESS.—(Continuing.) The chemical result when gypsum is added to the black alkali land is, it changes the sodium carbonate of the black alkali over into sodium sulphate and makes it less harmful. I have made no investigation of the lands in controversy. I know nothing about them. I know *nothing quality* of the gypsum on the lands in controversy *or* [1073] a reagent in the treatment of the black alkali land; I have not been on the land at all.

As a result of taking gypsum and adding it to black alkali land, you would get some sodium sulphate. Sodium sulphate is detrimental to the land, but in a much less degree than black alkali. The production of sodium sulphate and its injurious effect might be overcome by an exact analysis and the addition of the proper reagent in the form of sodium carbonate. The black alkali is sodium carbonate. That is the chemical term.

Q. You were talking about the principal deposits of gypsum being in the San Joaquin Valley?

A. I spoke of that.

The WITNESS.—(Continuing.) They are on the west side of the San Joaquin Valley, south of Coalinga, I would say. I am not familiar with the deposit at Amboy; I am not familiar with any of the deposits. I have seen some of them. I saw them on a trip which I made once on a road down the west side of the valley. One of them was north of McKittrick. There were openings in a great many places scattered along the road for two or three miles. I don't know how thick the deposit was. I

(Testimony of Thomas H. Means.)

simply stopped to see what the openings were and found gypsum in them. They had exposed the top of it only.

Q. Have you discovered any material in that west side of the San Joaquin Valley which looked like gypsum and which really is not gypsum?

A. No; I made no investigation.

Q. You don't know anything about the deposition of gypsum or how it occurs in the earth's surface? You made no study of that?

A. I have read a good deal on it. [1074]

Q. But you made no personal observations? Did you make any specific examination with respect to the deposit in the San Joaquin Valley? A. No.

Q. Do you know anything about the deposit down near Riverside, California?

A. No. I have not heard of gypsum coming from that neighborhood. I don't know anything about it.

Redirect Examination.

(By Mr. McWILLIAMS.)

The WITNESS.—I am familiar with a pamphlet published by Professor Lippman, of the University of California, on the use of gypsum on California soils.

Q. This pamphlet being published in 1913. He states in the pamphlet that there is considerable confusion or was at that time as to the proper purposes for which gypsum might be used. Do you know whether or not such confusion did exist at that time?

A. Yes, and it is to a certain extent at the present time existing.

(Testimony of Thomas H. Means.)

Q. Would that uncertainty among the farmers as to the proper use of gypsum in your opinion tend to account for the decrease in the use of gypsum during that particular year specified by Mr. Hall?

A. I doubt if there has been any decrease in use.

Q. Assuming that such a decrease has taken place.

A. It might account for that.

Q. In your opinion is the misunderstanding of the proper use of gypsum being dissipated in the minds of farmers in this state? [1075]

A. Yes, very decidedly so.

Q. And as their minds become more clarified as to the proper uses of gypsum, will gypsum be used to a greater extent by them in the soils?

A. It is being used now for a great many other purposes than simply alkali reclamation.

The WITNESS.—(Continuing.) The amount of gypsum that should properly be used per acre upon alkali lands depends on the quantity of alkali. It is difficult to state, approximately, about what would be the proper limits. The practical application of gypsum is limited more or less to lands which do not contain large quantities of alkali. The cost of the gypsum would be more than the land could stand, so it is usually confined to lands which require anywhere up to a thousand pounds or a ton per acre. As much as a ton per acre can be used on alkali lands to advantage.

Of alkali lands in the San Joaquin Valley that would require the use of gypsum in some amount, there are between one and two million acres which



(Testimony of Thomas H. Means.)

would be benefited by the use of gypsum.

Recross-examination.

(By Mr. HALL.)

Q. A good deal of that million acres has so much alkali in it that you couldn't get gypsum enough on it to reclaim it?

A. At the present prices, yes. At the present time.

Q. Isn't it a fact that this difficulty that you speak of that the farmers have had in applying gypsum has caused them to turn to other corrective methods than the use of gypsum as land plaster?

A. The farmers, taking them generally, have turned to the use of fertilizer and other amendments to the soil. [1076]

Q. And have not those other fertilizers and amendments to the soil been carried on at about as economical a price as they could have been carried on by the use of gypsum?

A. They are generally for another purpose. I don't think the use of them has affected the use of gypsum.

Q. Isn't it a fact that gypsum is not a fertilizer?

A. No; it is in a sense a fertilizer, but it is also—

Q. A corrective of an acid condition.

A. No, it is not a corrective of acid, but it is a corrective for the alkali and assists in improving the tilth of the land.

Q. Farmers think that it is useful in correcting acid soil?      A. Some of them do.

Q. And they use it largely for that?

(Testimony of Thomas H. Means.)

A. There has been very little of that used for that in California, because acid soils have not been a problem that farmers have had to work against.

Redirect Examination.

(By Mr. McWILLIAMS.)

The WITNESS.—There is no other practical corrective than gypsum for alkali lands.

Q. (By Mr. HALL.) Farmers used gypsum under the erroneous impression that it was valuable for its lime contents?

A. They do, but that it not an erroneous impression.

Q. Isn't it more economical to use plain lime or limestone than to use gypsum with its small content of lime?

A. That depends on the cost of the lime.

Q. You can buy lime cheaper than you can gypsum? [1077]

A. I don't think so now. I don't think there is very much difference. Gypsum is approximately one-third lime and the ordinary calcined lime is I guess over half lime. I have forgotten the proportions. Burned limestone is much higher than gypsum in the northern part of the state.

The WITNESS.—(Continuing.) I don't know, accurately, what the price is, but limestone last summer was selling for \$9 or \$10—ground lime—and gypsum was selling from \$6 to \$8 in one place that I know of—Modesto.

Q. If the limestone contained 20 to 40 per cent

(Testimony of Thomas H. Means.)

more pure lime wouldn't it be more economical to use it?

A. If you were using it for the lime alone, yes.

Mr. McWILLIAMS.—That is our case. There is one witness who said he would be here sometime in the forenoon. His testimony will take about three minutes and I would like to put him on the stand if he does arrive.

(Thereupon Mr. Hall applied to the Court for permission to file the affidavit in rebuttal of Mr. Hamel, Mr. Hamel being absent from the city. The Court granted such permission to the plaintiff, and thereafter on the 23d day of September, 1916, plaintiff filed the affidavit of Charles D. Hamel with the clerk which said affidavit is as follows:) [1078]

**Affidavit of Charles D. Hamel.**

State of California,

City and County of San Francisco,—ss.

Charles D. Hamel, of legal age, being first duly sworn, deposes and says:

That he is a citizen of the United States, over the age of 21 years; that he is now and has been for more than seven years last past Special Agent of the General Land Office, Department of the Interior. That since June 1, 1914, he has been engaged in the investigation of the facts relating to entered and unentered withdrawn oil lands situated in the State of California.

That as Special Agent of the General Land Office he investigated the facts as to Mineral Application

(Testimony of Thomas H. Means.)

03280, Visalia, California Series, embracing the Northeast quarter of Section thirty, township twenty-six south, range twenty-one east, M. D. M., made by the Devil's Den Consolidated Oil Company, a corporation, both as to *bona fides* of the locators and as to the inception of the development work leading to the discovery of oil and the diligent prosecution of the same.

That during the course of said investigation he interviewed A. R. Orr on October 21, 1914, one of the locators on the Consolidated Placer Mining claim, embracing the NE.  $\frac{1}{4}$  of said Section 30; that affiant interviewed the said Orr at the City Hall of Visalia, California; that upon affiant's request said Orr stated to him the facts relating to the location of the said Consolidated Placer Mining claim, and that said statement by said Orr was put in writing by affiant; that said written statement was signed and sworn to by said A. R. Orr, and that a copy of said sworn statement is hereto attached and made a part hereof.

That during the course of said investigation affiant, on October 23, 1914, interviewed Charles Togni, one of the locators [1079] on said Consolidated Placer Mining claim; that affiant went to the home of said Togni, where he and said Togni spent about an hour together. That upon affiant's request the said Togni stated the facts relating to the location of the said Consolidated Placer Mining claim; that the statements made by the said Togni were placed in writing by said affiant, which statement was read by said Togni, signed and sworn to by the said Togni, copy

of which is hereto attached and made a part hereof.

That during the course of said investigation, affiant, on January 22, 1915, at Visalia, California, interviewed U. D. Switzer, one of the locators on said Consolidated Placer Mining claim; that upon request of affiant said Switzer made a statement of the facts relating to the location of the said Consolidated Placer Mining claim; that based on the facts as stated by said Switzer, affiant prepared a written statement in typewriting which was read by the said Switzer, signed and sworn to by the said Switzer, a copy of which said statement is hereto attached and made a part hereof.

That during the course of said investigation affiant, on October 21, 1914, at Visalia, California, interviewed C. J. Giddings, one of the locators on said Consolidated Placer Mining claim; that upon request of affiant said Giddings made a statement of facts relating to the location of the said Consolidated Placer Mining claim; that based upon the facts as stated by said Giddings, affiant prepared a written statement which was read by said Giddings, signed and sworn to by said Giddings, a copy of which said statement is hereto attached and made a part hereof.

That during the course of said investigation affiant on October 21, 1914, interviewed at Visalia, California, L. C. Hyde, one of the locators on said Consolidated Placer Mining claim; [1080] that upon request of affiant said Hyde made a statement as to the facts relating to the location of the said Consolidated Placer Mining claim; that based upon the facts as stated by said Hyde affiant prepared a



written statement which was read by the said Hyde, signed and sworn to by the said Hyde, a copy of which is hereto attached and made a part hereof.

That during the course of said investigation affiant, on October 22, 1914, interviewed at Visalia, California, W. B. Wallace, one of the locators on said Consolidated Placer Mining claim; that affiant interviewed the said Wallace in his chambers, at the courthouse, located in Visalia, California. That affiant during the interview, requested the said Wallace to give him a statement relating to the location of the said Consolidated Placer Mining claim; that said Wallace during said interview asked affiant if affidavit setting forth the facts was desired. Affiant replied that a written statement would be sufficient. Said Wallace replied that he would prepare a statement and mail it to affiant. Affiant left his postoffice address with said Wallace, and several days later affiant received a letter in the handwriting of the said Wallace, dated October 24, 1914, a copy of which is attached hereto and made a part hereof.

(Sgd.) CHARLES D. HAMEL.

Subscribed and sworn to before me this 20 day of September, 1916.

[Seal]

T. L. BALDWIN,

Deputy Clerk U. S. District Court, Northern District of California.

(Note.—The letter of W. B. Wallace, last above referred to, is omitted at the conclusion of the several affidavits enumerated in the foregoing affidavit of Charles D. Hamel for the reason that it appears as introduced in evidence at Tr. 237, Rec. p. 1018.)

**Affidavit of A. R. Orr.**

State of California,  
County of Tulare,—ss.

A. R. Orr, of lawful age, being duly sworn, deposes and says:

That my address is Visalia, California: In 1899 I, with others, located a number of oil claims in T. 23 S., 18 E. Some Oakland people had also made some locations in this township, many of them conflicting with ours. In order to clear up the conflicts, we agreed with the Oakland people to organize a corporation, to which should be conveyed our locations and the locations of the Oakland people. This was done. A few of the claims were relocated by the Devil's Den Consolidated Oil Co., which was the corporation organized. All of the locations of the Devil's Den Consolidated Oil Co. were in the Devil's Den country, so far as I have any personal knowledge. I am told that my name appears with other stockholders of the Devil's Den Consolidated Oil Co. in the NE. of 30-26-21, which was located in February, 1907, and conveyed to the corporation May 31, 1907. It is very likely that Mr. Barton used my name with the others in that location, thinking I was a stockholder. I do not recall definitely at this time whether I was a stockholder as late as February 13, 1907. I was a stockholder for a number of years after its organization, and for several years president.

The location on the NE. of 30-26-21 was made,—I surmise from the name of the locators shown me by

Special Agent Hamel, by Mr. Barton for the Devil's Den Consolidated Oil Company, using as he believed, the names of only stockholders.

In explanation of the foregoing, while it is not stating the facts as they were, it shows practically what was done. All of these lands were located by individuals. Afterwards there was [1082] organized the Devil's Den Oil Co., the Oakland Oil & Asphaltum Co. and the Niagara Oil Co. After these companies had been organized, there were found to be conflicting claims, involving the rights of the respective companies; and, under an agreement satisfactory to all, the Devil's Den Consolidated Oil Co. was organized, to which was conveyed the various claims therein involved, save and except that each company retained a location in their own name, for their individual company's operation. Each respective company had interests in the said Devil's Den Consolidated Oil Co., in proportion to the average held by each of said companies, and held stock in accordance therewith.

(Sgd.) A. R. ORR.

Subscribed and sworn to before me this 21st day of October, 1914, at Visalia, California.

(Sgd.) C. D. HAMEL,  
Special Agent, G. L. O. [1083]

**Affidavit of Chas. Togni.**

State of California,  
County of Tulare,—ss.

Chas. Togni, of lawful age, being duly sworn, deposes and says:

That I reside at Visalia, California. I became a stockholder in the Devil's Den Consolidated Oil Co. on December 11, 1901, and have the stock yet. I am the Chas. Togni who, with other Visalia people, are located on the NE.  $\frac{1}{4}$  of Sec. 30-26-2. Mr. O. D. Barton was in the Devil's Den and Lost Hills country, looking after the properties of the Devil's Den Consolidated Oil Co., and, in his examination of the country, thought very favorable of the land in what was known as the Lost Hills. I believe he thought the NE. of 30-26-21 a particularly good piece, and located it for the Devil's Den Consolidated Oil Co., using the names of stockholders of the company. I have no distinct and separate recollection of signing a deed conveying to the company. No money was paid to any of the locators, however, so far as I know, the stock which each held being the consideration I received no cash consideration. I know of no other oil lands upon which I am located.

When I was over at the Lost Hills about a year ago, I ordered a carload of gypsum, which I intended to use for my orchard. It appears, however, that the Universal Oil Co. was too busy to get the gypsum out for me. I intended to use this gypsum on my orchard which requires some fertilizer. I could and would use the gypsum now if the company would send it to

me. I have been in Europe this last spring and summer, and since returning have not been well, so have made no further effort to get it.

A number of years ago there was considerable gypsum used in this vicinity, and I thought the results were very good. Very little is used here at the present time. I used ten ton on a prune [1084] orchard at one time, and saw very favorable results the following year.

(Sgd.) CHAS. TOGNI.

Subscribed and sworn to before me this 23d day of October, 1914, at Visalia, California.

(Sgd.) C. D. HAMEL,  
Special Agent, G. L. O. [1085]

### **Affidavit of U. D. Switzer.**

State of California,  
County of Tulare,—ss.

U. D. Switzer, of *lawful being* duly sworn, deposes and says:

That my postoffice address is Visalia, Cal. I was one of the original citizens of this community who made locations in the Devil's Den country some twenty or more years ago. Our first locations were made in T. 25 S., R. 18 E., before that township was sectionalized, and I have been connected with the locations and company which was the outgrowth of those locations ever since. Some time after our earliest locations had been made we organized the Devil's Den Consolidated Oil Co. for the purpose of handling the claims and improving them. Our locations were conveyed to



that corporation and stock issued to the various locators. The original capital stock was \$103,000. This stock was issued to the various persons in accordance with their subscriptions and had no particular reference to the number of their locations. As I recall it, \$73,000 worth of the stock was issued to the various subscribers at the beginning. The locations on the NE.  $\frac{1}{4}$  of Sec. 30, 26-21 was made a number of years after the company had been organized and was located by Mr. O. D. Barton on behalf and in the interest of the company using the names of persons here in Visalia, all of whom were interested in and were stockholders of the company. So far as I know the locations made on Sec. 27, 27-18 and on any other lands in which the company was interested, were made under the same or similar circumstances as I have related as to the location on the NE.  $\frac{1}{4}$  of 30, 26-21, except the locations made prior to the incorporation of the company. The first locations made prior to the incorporation of the company were made by some 18 of us. The expense connected with the making of these first locations [1086] was borne by the various locators in equal proportion each contributing.

M. T. Mills, one of the locators, has not been well for some months but I know that he was a stockholder of the company for many years and he was located on these claims under the same circumstances as I was.

I am no longer a stockholder in the company and have no interest whatever in the lands involved.

Mr. Mills went with us when we went to the Devil's Den country to make the first locations.

I have read and understand the foregoing statement.

(Signed)    U. D. SWITZER.

Subscribed and sworn to before me this 22d day of January, 1915, at Visalia, Cal.

(Signed)    C. D. HAMEL,  
Special Agent, G. L. O.    [1087]

**Affidavit of C. J. Giddings.**

State of California,  
County of Tulare,—ss.

C. J. Giddings, of lawful age, being duly sworn, deposes and says:

That my address is Visalia, California. I become a stockholder in the Devil's Den Consolidated Oil Co. at the time of its organization, and retained my interest in the company until the stock was purchased by Geo. E. Cameron. I cannot say definitely as to how many or what claims I was located upon. I do know Mr. O. D. Barton made a number of locations in the Lost Hills and Devil's Den Country, for the Devil's Den Consolidated Oil Co., and I was located with other stockholders of the company. These locations were conveyed to the company, the stock we held being the consideration for the conveyance we made. Chas. Togni, M. D. Sweitzer, E. C. Farnsworth, A. R. Orr, M. T. Mills, L. C. Hyde, W. B. Wallace, I know were all stockholders. The Devil's Den Consolidated Oil Co. was

organized by Visalia people, business men and farmers, and controlled by them until sold to Mr. Cameron.

(Signed) C. J. GIDDINGS,

Subscribed and sworn to before me this 21st day of October, 1914, at Visalia, California.

(Signed) C. D. HAMEL,  
Special Agent, G. L. O. [1088]

**Affidavit of L. C. Hyde.**

State of California,  
County of Tulare,—ss.

L. C. Hyde, of lawful age, being duly sworn, deposes and says:

That my address is Visalia, California. I became a stockholder in the Devil's Den Consolidated Oil Co., either at the time of its organization, or very soon after; and held the stock until it was sold, in 1911, to Geo. E. Cameron. I have no distinct recollection of the details connected with any locations upon which my name was used as a locator. If the record shows that L. C. Hyde was located in the NE. 30, T. 26 S., R. 21 E., February 13, 1907, and conveyed to the Devil's Den Consolidated Oil Co., on May 31, 1907, in company with C. J. Giddings and others, it is very likely that I was so located on the land for the Devil Den Consolidated Oil Co., which, I am told, is now making application for patent. I no longer have any interest in the company. The Devil Den Consolidated Oil Co., is the only company interested

in the Lost Hill or Devil Den Country in which I ever had a financial interest.

(Signed) L. C. HYDE.

Subscribed and sworn to before me this 21st day of October, 1914, at Visalia, California.

(Signed) C. D. HAMEL,  
Special Agent, G. L. O. [1089]

Mr. HALL.—Plaintiff now desires to read in evidence from the Standard Oil Bulletin, a publication published monthly by the Standard Oil Company of California, from page 13 of No. 4, volume 4, issued August, 1916, with reference to the prices of oil, as follows: “Crude oil prices at the well, San Francisco, California, August 15, 1916, effective July 7, 1916. The Standard Oil Company offers the following prices for crude oil at the well: San Joaquin Valley field, Kern River, Midway-Sunset, McKittrick, Lost Hills, Bellridge, Coalinga, 14 degrees to and including 17.9 degrees gravity, per barrel 63 cents; 18 degrees, to and including 18.9 degrees gravity, 64 cents; and for each increase in gravity of one full degree above 8 degrees gravity up to and inclusive of 24.9 degrees gravity, one cent per barrel additional; 25 degrees to and including 25.9 gravity per barrel, 72 cents, and for each increase in gravity of one full degree above 25 degrees gravity, two cents per barrel additional.” [1090]

**Testimony of E. B. Latham, for Plaintiff (In Rebuttal).**

E. B. LATHAM, produced as a witness in rebuttal on behalf of the plaintiff, testified as follows:

(Testimony of E. B. Latham.)

Direct Examination.

(By Mr. HALL.)

The WITNESS.— I am a petroleum geologist and petroleum engineer. I have pursued geological work at Harvard University and Columbia University School of Mines, of which I am a graduate and I have done both graduate work in geology covering practically three years in Columbia University in New York City.

I have been pursuing my occupation as a mining engineer and petroleum engineer about twenty years, in New York, Vermont, Connecticut, New Jersey, Michigan, Canada, New Mexico, Arizona, California, Old Mexico and South America. I have devoted about twelve years to the study of petroleum deposits. I have spent seven years in the oil fields of California. During that time I have been employed as field geologist for the Southern Pacific, resident geologist for the Kern Trading & Oil Company, consulting geologist for the Santa Fe Railroad, geologist for the Kern County Protective Association. I have handled a good deal of consulting work. I have been employed by the State of California; I was appointed Deputy State Oil and Gas Supervisor. I occupied that position with the State of California five months. At this particular time I am employed by the Government.

I was in the courtroom yesterday when Mr. Bishop was on the witness-stand.

Q. Did you hear his explanation of the manner in which the Lost Hills Mining Company under his



(Testimony of E. B. Latham.)

supervision is now separating the water from the oil that comes from the wells on the land in question.

A. I heard his testimony; yes, sir. [1091]

The WITNESS.—(Continuing.) To my mind, the system which they employ is very inefficient.

Q. Will you explain to the Court wherein Mr. Bishop's system of treating the oil is inefficient.

A. In the first place, he heats some of his oil to free it from water. That is a very old and an abandoned scheme. It is very wasteful because you lose the fuel oil with which you heat the oil to be cleaned, and you also distill off the *ligher* gravity oils. The oil has to be raised to above 200 degrees temperature and loss is inevitable. The accepted and modern way is to clean the oil by means of gas-traps. The nature of the oil and gas is this: The gas is dissolved in the oil in the ground and held in solution very much the same as the gas in a bottle of champagne is held. When the bottle is corked it appears full of liquid. When it is uncorked there is a rush of gas. When the gas is allowed to thresh around and come out with a roar and spread around, the escape of the gas allows the escape of the lighter oil, and the one factor to be carefully observed is to quiet the oil while it is being produced, and this is done practically by a back pressure in the traps. With the use of the traps the gas which has inevitably to escape is collected and used as fuel. The lighter oils and heavier gas is retained in the oil and raises its gravity. The constant back pressure makes the well produce in a steady

(Testimony of E. B. Latham.)

manner and it is not necessary to clean the well out as frequently, and the oil is separated from the sand and water in one operation and the gravity of the oil is raised from one and a half to three degrees—usually about two degrees. These traps are in constant operation on wells differing from each other in all manner of gravity of oil, gas pressure, depth, and all such factors.

The WITNESS. — (Continuing.) Those traps may be used on [1092] either flowing or pumping wells. It doesn't make the slightest difference in the use and efficiency of the traps whether the well is a flowing well or a pumping well. It is used on a pumping well. I can cite you of my own knowledge and experience where these traps are used on wells which are much worse than those described by Mr. Bishop. The Midway Northern No. 4 well in the Sunset field made a 40 per cent emulsion. After the installation of the Trumble gas-trap the gravity was raised two degrees and the water was entirely separated out.

The sort of water that is most difficult to separate is that which comes out in the form of an emulsion. Free waters can be bled out simply by allowing the fluid that comes from the well to rest a little while in the tank. Then the oil floats on the water and the water may be tapped off or bled off. But the emulsion is due to a very intimate association of oil and water brought about by gas pressure, and that is very difficult to separate as compared with the free water that I have just spoken of.

(Testimony of E. B. Latham.)

Q. Let me understand you. The use of the gas-trap not only maintains the gravity of the oil—

A. And raises the gravity.

Q. —raises the gravity of oil, but it also collects gas.      A. Yes, sir.

Q. And saves that which may be used on the property.

A. The gas can be used as fuel. That is one of the greatest economies. The Spreckles No. 1 well which formerly produced 150 barrels a day, the use of the trap has raised it to 250 barrels a day because of the constant back pressure so that the well is not subject to fluctuation. And the experience has been that they do not have to pull the well any more—that is, to clean the [1093] well. The gravity raised two degrees and they save gas enough to operate the entire lease. The El Doro No. 2 well in the Sunset field, which was a very bad acting well, produced 150 barrels, 50 per cent emulsion, and was treated by heat in the same way Mr. Bishop treats his. The receiver has changed that. The gravity formerly was 19 degrees and less. They could make no deliveries over 19 degrees. All the water is now separated without any heat by the trap, and it delivers from 21 to 22 gravity. Never less than 21. And they have gas enough to operate the lease and they have a steady flow and they have increased the production to 225 barrels a day. The Miocene No. 1 well originally made 18 per cent emulsion and was heated. They installed a gas-trap called the Miocene type of trap which separates all this emulsion and raises the grav-

(Testimony of E. B. Latham.)

ity one to two degrees. Miocene No. 2 well produced formerly 7000 barrels when the well came in, and it now produces about 1000 barrels. It is a flowing well. The amount of the emulsion is 50 per cent. This trap separates this, cleans it, and raises the gravity from one to two degrees, avoids the use of fuel for heating, and has done this for two years. The El Doro well to which I referred a while ago was a pumped well. I now come to the Trojan well, one of the best on the Maricopa field. When it was brought in before the use of the trap it was very fluctuating, 700 barrels one day and only a hundred on the next day, and had to be constantly cleaned. Since the installation of the Trumble trap, the gravity has been raised from 25.6, which was the original gravity, to 27.6. It never sands up, never has to be pulled, the production is steady and constant, and it produces from 650 to 750 barrels per day. The Whittaker, Doan & Laymance well has a 50 per cent emulsion and formerly they heated their oil. After the installation of the trap they separated the water from the emulsion and the production is [1094] about the same. The North American Consolidated Oil Company on Section 2 near Taft, uses a Kelly trap of the Miocene type on eight or ten wells, I can't say which, and which were producing from 8 per cent to 60 per cent emulsion. The traps handled all this and raised the gravity from one to two degrees. The Consolidated Mutual installed traps on eight wells and they were making from 5 to 60 per cent emulsion, and it raised the gravity and separates the

(Testimony of E. B. Latham.)

water. I cite these cases to show that without any peradventure the use of gas-traps is the approved method of treating and the economical method of treating wells which make emulsion. Of course, if they make clear water which can be bled off, there is no necessity for it. But the economy of fuel and the steady production of the well make it very valuable.

Q. Are all these instances which you have just given instances of correction made since the property has been passed into the hands of the receiver?

A. Yes, sir; I think the receiver's treatment embodies the last word in the economical operation of producing properties.

The WITNESS.—(Continuing.) I heard Mr. Bishop's testimony in regard to this 55,000 barrel delivery tank. In my opinion the storage of oil in such a large quantity and the holding of it on the property is by no means an economical and advantageous method of marketing oil. The proper method as regarded to-day is to use small delivery tanks. The benefit of that is, you get rid of your oil to the man who buys it before it loses its gravity. You get it off of your hands. If you store it in a 55,000 barrel tank it allows a greater surface from which the oil can evaporate.

Q. Does the pouring of the oil into a tank, although that tank may be covered with a water compartment above, have any tendency to drive off the gas and reduce the gravity of the oil? [1095]

A. Putting the oil into the tank is stirring it up and agitating it, and is a letting off of the gas which



(Testimony of E. B. Latham.)

takes the gasoline with it. As far as putting a water seal on, that is of no advantage in my mind. The point is that if you cover up the receiving tank you stop the action of these gaseous particles getting into the air. It is not necessarily the evaporation of effect of the sun. There is just as much difference between the gas of its own volition, so to speak, hopping out of the tank, and being drawn out by the effect of the sun's rays, as there is between a man being jerked out of a chair and rising of his own volition.

Q. Have you made a particular or any study of the water conditions in these fields of California?

A. For the last seven years that has been my occupation specially.

Q. Specially in treating water conditions in wells?

A. Yes, sir.

Q. In treating a number of wells located in the same field and which all show that they are making water, do you treat those wells ordinarily as individual problems?

A. Absolutely the contrary.

Q. Why is it that you must look to the entire field in the matter of shutting off the water?

A. The problem of excluding the water is, in one word, the problem of a uniform shut-off. In other words, every well drilled becomes a part of the system so that if you alter the place of shut-off in one well you may affect all the others.

Q. Can you illustrate that to his Honor on the board? And if you have in mind any specific in-

(Testimony of E. B. Latham.)

stances where such methods have been applied, illustrate it by that. [1096]

A. I can give you the results of the study of the water problem on what is called 25 Hill, back of Taft. That was one of the first areas to get to water in the Midway field. (Draws diagram on black-board.) We will assume that these are all wells which were drilled, and the water is shut off at this point. We will suppose this is the last water sand that they thought they had encountered. Now, we will suppose that another well is drilled right in the midst. After they have landed their water string, they found an oil sand which did not produce very much, so they passed it up. The next sand was a dry sand and then they come into the oil proper. Now, this well was drilled and they did the same thing and shut it off and continued down, but when they came to this dry sand in this instance they found it to be a water sand producing 50 barrels of water. The operator loosened his pipe here and brought it down and shut off the water here and continued into the oil. The effect was this: that all the water from this water sand came down into this one here and all the water produced here backed up into this one and went over and came down here into the oil sand, because there was no shut-off below this permeable stratum. The result has been that that has gradually raised from three per cent water up to ten per cent, and when it reached ten per cent the next was three per cent, and after such wells—four or five such wells that found water in this sand, al-

(Testimony of E. B. Latham.)

though in the other wells they were right in calling it a dry sand—the effect of the wells was such as to flood the whole area. Now, this illustrates my contention that in treating the water shut-off, you have got to consider every single well. They are all inter-related.

The WITNESS.—(Continuing.) These two wells and the middle one were all drilled down. They all finished into the oil sand. It should be noted that the well which was the bad well itself, [1097] pumped clear oil and made no water. But it did throw the water back into the upper oil sand and then down into the lower oil sand. I have seen that again and again and tested it for days, so that there is no question about it.

Q. How do you test for days? Please explain the manner of testing for water.

A. Well, it is simply to dissolve in water suitable dyes, red or green dyes, and introduce them into the well and then do not pump that well any more but leave it idle and test the other wells and see if the dye shows up in these other wells.

Q. Is that a common method used by men who take care of water troubles in the oil fields?

A. Constantly used.

Q. Can you state from that test whether water is bottom water, top water or edge water?

A. Oh, yes; you can ascertain by tests, and that is a useful test to use—not necessarily final in itself.

The WITNESS.—(Continuing.) I heard Mr. Bishop's statement in regard to water conditions

(Testimony of E. B. Latham.)

on this land in controversy.

Q. He mentioned a shell formation. What did he mean?

A. Shell is simply a hardened sand, and is not stone. It drills a little harder than the average formation that the drill encounters.

Q. Are those shell formations usually continuous in the field?

A. Absolutely not. That is one thing we know. It may be over a local area but not over a considerable area.

Q. Does that tend to give water trouble?

A. Yes. If you cut off your water casing on the shell, that shell softens up into a sandstone a little distance away and you cannot get your uniform shut-off. [1098]

The WITNESS.—(Continuing.) In treating a field where shells are encountered, the entire field must be considered in handling the water problem. Every man is his brother's keeper in this business. As I say, one well might strike water in the sand and other wells which penetrate that same sand might find it dry.

Q. What is the explanation or reason why such conditions are encountered?

A. It seems to be that the water flows in channels in the sand, but not always. The idea that the water sand is simply a water lake is wrong.

Q. Isn't it your experience that sometimes in the sand you will find it dry and at other places in the same sand you find a flowing stream?

(Testimony of E. B. Latham.)

A. Yes, sir.

Q. What is the effect upon an oil well, if it be a pumping well or flowing well?

A. If it is making the least amount of water it is dangerous.

Q. If a well has been making water and an attempt has been made to cut it off by cementing, but after it is opened up still shows water, would it, in your opinion, be a safe proposition to keep that well closed in?

A. Certainly not, if the well is not shut off. And if there has been a failure to shut it off by cement, it shows a caving of the wells.

The WITNESS.—(Continuing.) If a well should be caved in after being cemented off and makes water, the water gets into the oil and drives it away from that place. Continuous shutting off of that well or keeping it shut would have a tendency to drive more water back into the oil sands; the water collects. [1099]

Q. Have you made any particular study of the water conditions surrounding the wells involved in this controversy?

A. Oh, yes; I have been familiar with them from 1910 on, but not in the last year and a half.

The WITNESS.—(Continuing.) They were having trouble out there when I was out there making examinations.

Q. Have you any opinion as to whether or not these wells on this land in controversy are making



(Testimony of E. B. Latham.)

water from the top sand, bottom sand, or from edge water?

A. My opinion is that it is not edge water because the wells furthest down the dip did not make the most water when they were brought in. Furthermore, edge water is a portion of water coming up and wiping the whole thing out, displacing all the oil. In other words, when edge water asserts itself your well goes to water like that (snapping his fingers). That has not happened here. As to whether it is upper water or bottom water, the chances are overwhelming that it is upper water.

Q. You think that some occurrence has occurred in this field such as you illustrate at this point?

A. Yes; I have found that thing in so many localities that I have no question from the description of the behavior of the water that that is the trouble there.

Q. At the time you ascertained the facts that you know to be the facts in controversy, by whom were you employed?

A. I was resident geologist of the Kern Trading & Oil Company, with headquarters at the Sunset field, at the time the Kern Trading & Oil Company leased this quarter section, the Lost Hills, to the Associated Oil Company, and the entire situation was reviewed at that time—geologically, and the possible production and water and so forth. Subsequently I made three different [1100] examinations for various parties, one railroad and one syn-

(Testimony of E. B. Latham.)

dicade from Bakersfield, and have been over the territory a good deal.

Q. What was this Kern County Protective Association?

A. The Kern County Oil Protective Association was a mutual association of which about 80 per cent of all the operators in the Sunset and Midway field belonged. They contributed regularly—monthly—and have a central office where the data could be secured, digested and classified, and geological conclusions arrived at by which the water could be excluded in a systematic manner. In other words, to attack this uniform shut-off proposition, and also to amplify the local water commissioner's salary, so that he could give advice as to the economical cementing and so forth, which was rather an unfamiliar practice at that time.

Q. And what was your particular field of duty or activity in regard to this?

A. I had full charge of the work.

Q. Can you tell the Court about how many wells you cut off the water in during the time you were employed down there?

A. Well, we included about 2,000 wells, but sometimes they would not follow our advice. I am pleased to say that the receiver has followed our advice a little more strictly and he has gotten very good results.

Cross-examination.

(By Mr. DUNNE.)

The WITNESS.—I have been in the employ of the

(Testimony of E. B. Latham.)

Government about four days, in the capacity as a petroleum geologist and engineer.

Q. And what duties have you been assigned to?

A. I expect to make an examination of the properties [1101] already under the receivership in the Sunset field.

The WITNESS.—(Continuing.) I have been formally assigned to that work by Mr. Justice. The Department of Justice employed me for the last four days. I have spent possibly two days around this courtroom while Mr. Bishop was testifying. I don't know at what salary I am employed by the Government. In fact, I don't know whether I am employed at this particular moment or not. I have taken no oath of office.

I know Mr. Todde, the general superintendent of the Standard Oil Company; I have known him for several years.

Q. You have given your opinion a great many times in the course of the last thirty minutes. In your opinion is Mr. Todde a competent and efficient and intelligent oil operator?

A. I was not aware that Mr. Todde was an oil operator. [1102]

**Testimony of J. W. Kingsbury, for Plaintiff (In Rebuttal).**

J. W. KINGSBURY, produced as a witness on behalf of the plaintiff, testified in rebuttal, as follows:

(Testimony of J. W. Kingsbury.)

Direct Examination.

(By Mr. HALL.)

The WITNESS.—My occupation is that of Mineral Inspector, United States General Land Office. In the last few days I have had occasion to examine some commercial plaster of paris. Plaster of paris should be dead white in color to meet the requirements in the fields of art. I have procured in the open market plaster of paris that has been usually sold. I have made samples by setting that plaster of paris.

Mr. HALL.—We offer these in rebuttal of the samples that were produced attached to these affidavits.

IT IS HEREBY STIPULATED that the exhibits above referred to, together with exhibits “A,” “B,” “C,” “D,” “E” and “F,” referred to in the several affidavits of Rudolph Schwarzlose, at Record pages —, inclusive, being objects which cannot be reproduced in the record, the originals may be taken up and filed in the case in the Circuit Court of Appeals.

FRANK HALL,

Special Assistant to the Attorney General, Solicitor  
for the Plaintiff.

JOSEPH D. REDDING,

Solicitor for the Defendants. [1103]

*In the District Court of the United States for the  
Southern District of California, Northern Di-  
vision.*

Honorable ROBERT S. BEAN, Judge, Presiding.  
(Three Cases.)

Nos. A-37, A-52, A-57, Respectively.

IN EQUITY.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

DEVIL'S DEN CONSOLIDATED OIL COM-  
PANY, LOST HILLS MINING COMPANY,  
and LOST HILLS MINING COMPANY,  
Defendants.

**Opinion.**

APPEARANCES:

For Plaintiff:

E. J. JUSTICE, Special Assistant to the Attor-  
ney General, FRANK HALL, Special As-  
sistant to the Attorney General.

For Defendants:

JOSEPH D. REDDING, Esq., EARL G. PIER,  
Esq., and EDMUND TAUSZKY, Esq.,  
PETER F. DUNNE, Esq.

Fresno, California, October 4, 1916.

10 o'clock A. M.

The COURT.—The Court is prepared to announce  
its conclusions on the subjects of jurisdiction in the



cases of the United States vs. The Devil's Den Consolidated Oil Company, the United States vs. Lost Hills Mining Company, and upon the motion for an injunction and the appointment of a receiver in these two cases; and also in the other case against the Lost Hills Company known as A-57. Unfortunately, however, circumstances [1104] have prevented my causing a final copy of the opinion to be made for filing. I have a rough draft of it here and I shall read it this morning and ask the reporter to take the dictation.

These suits are brought by the Government for decrees that the several tracts of land described in the bills amounting in the aggregate to about two and one-half sections, together with their mineral contents, are the property of the United States free from any claims of the defendants or any of them, and restraining the defendants from trespassing thereon or extracting the oil therefrom, and for an accounting.

The legal title to the property involved is in the United States and except one-half section is included in the Presidential withdrawal order of September 27, 1909. The land is chiefly valuable for its oil contents and the larger area thereof is now and has been for some time operated by the defendants as oil-producing property and large quantities of oil have been and are now being extracted therefrom.

No discovery of oil on any of the lands had been made at the date of the withdrawal order referred to, nor was anyone in possession of any part thereof at that time actually engaged in drilling prospecting for oil. In the spring of 1907, however, divers par-

ties entered upon the lands in controversy and a large number of other tracts in the same vicinity and posted thereon and caused to be recorded in the county in which the land is situated notices claiming the same under the placer mining laws of the United States, and subsequently conveyed their interests to the defendants.

Thereafter and during the year 1911, the defendants in cases A-37 and A-52 each filed in the local Land Office at Visalia an application for a patent under Sections 2325 and 2326, Revised Statutes, alleging in substance that their predecessors had entered upon the land in February, 1907, and [1105] having theretofore discovered thereon gypsum and other placer minerals, did then and there locate the same as consolidated placer mining claims by marking the boundaries on the ground and posting and recording the required notices; that ever since said time the applicant and its predecessors in interest have been in actual *bona fide* possession of the property, working and holding the same as a placer mining claim, and have done the necessary amount of assessment work. The application was accompanied by divers and sundry affidavits and papers in support thereof, all requirements of the statutes and the rules and regulations of the Land Department in the matter of an application for a patent for a mining claim being complied with. After the sixty days' publication had expired, no adverse claim having in the meantime been filed or made by any private party, the applicant paid to the Receiver of the Local Land Office the purchase price and such

Receiver issued and delivered his receipt therefor, stating that the money was received in connection with such application, and a recital that it "is evidence only of the receipt of the money included without regard to the subsequent allowance or rejection of the application, due notice of which will be given." The application and accompanying documents, together with a copy of the Receiver's receipt, was immediately forwarded to the Commissioner of the General Land Office by the Register of the Local Land Office.

No further action was taken in the matter until December, 1915, when, by direction of the Commissioner of the General Land Office, a special agent of the Department filed charges against the validity of the entries on the ground:

(1) That no discovery of oil or gas had been made at the time the land was withdrawn from entry.

(2) That neither the applicants nor their predecessors in interest were in the actual *bona fide* possession of the [1106] property and prosecuting work looking to discovery at the date of such withdrawal.

(3) That no valid discovery of gypsum had been made on the property prior to the withdrawal orders, and that the claim that the land contained valuable deposits of gypsum is and was a mere pretense and not made in good faith with the *bona fide* intention of developing and marketing the gypsum but as a mere subterfuge for obtaining title to the land on account of its oil contents.

(4) That the location of the land involved in suit

A-37 was not made by the so-called locators in good faith for their own use and benefit, but for the use and benefit of the defendant, the Devil's Den Consolidated Company, and with the purpose and intention of it securing thereby a greater area of mineral land than may be lawfully entered in a single location by a corporation.

The defendants were duly notified of such charges, and filed denials thereof and requested that a hearing be ordered thereon. Thereafter these suits were commenced, based upon substantially the same grounds as the charges filed against the entries in the Local Land Office. The defendants plead the pendency of the proceedings before the Land Office in bar, the contention being that the acceptance by the officers of the Local Land Office of defendants' application for patent and the purchase price of the land was in effect a judgment *in rem* and vested the equitable title to the land in the defendants, subject only to the appellate jurisdiction of the Land Department, and until such judgment is annulled by the proper authorities within the Land Department, the defendants are entitled to the possession of the property, with the right to extract and dispose of the minerals thereof.

In a contest between private parties over the title or right to the possession of mining property for which patent has not been issued the doctrine invoked would no doubt be applicable. [1107] Where the necessary steps are taken by a qualified applicant to obtain a patent to mining land and no adverse claim has been filed the applicant becomes



vested with the equitable title and a *prima facie* right to a patent immediately upon the payment of the purchase price, and the delay of the Department in issuing patent, "does not diminish the rights flowing from the purchase or cast any additional burdens on the purchaser or expose him to the assaults of third persons." (Benson M. Company vs. Alta M. Company, 145 U. S. 428; El Paso Brick Co. v. McKnight, 233 U. S. 250.) But such a proceeding does not divest the Government of its title, nor is it an adjudication as between the claimant and the Government. In such a case there is no adjudication by the Land Department of any questions arising on the application for patent. Nor has it been allowed or approved by the Government or any of its officers and no final certificate has been issued. But if the application had been allowed and passed to patent it would not have been conclusive against the Government. (Washington Securities Co. v. U. S. 234, U. S. 76). All that has been done in the instant cases is the receipt by the officers of the Local Land Office of the application for patent and the purchase price, the transmission by them of the same to the General Land Office and a subsequent filing of objections to the issuance of patent by an agent of the Department. The broad question then is whether the mere acceptance by the Land Office of an application for a patent to a mining claim in due form from a private individual, and the payment by the latter of the purchase money after the required notice has been given, is a bar during the pendency thereof in the Land Department to a suit by the Government to



cancel and annul the interest of the application, if any, and determine his right to possession and to extract and market the mineral, on the ground that the application for patent and the proceedings connected therewith [1108] were and are fraudulent, wrongful and unlawful.

In my judgment it is not. The proceedings are wholly *ex parte* to the Government and can have no greater effect than if the patent had actually issued, and it is settled law that the issuance of a patent under such circumstances is not a bar to a suit by the Government to vacate or annul such patent if fraudulently and unlawfully obtained, or issued by mistake or inadvertence of the officers of the Land Office. (Hughes vs. United States, 4 Wallace, 232; Germain Iron Co. vs. United States, 165 U. S. 379; Washington Securities Co. vs. U. S. 234, U. S. 76; Linn & Lane Timber Co. vs. U. S. 236, U. S. 574.) I do not think any greater virtue should be accorded to a mere *ex parte* preliminary proceeding. It is insisted, however, that as the applications for patent are now pending and undetermined in the Land Department, the Court will not assume jurisdiction even if such applications are fraudulent and unlawful, until they are finally disposed of by the Department. The Land Department is vested, conformably to the acts of Congress, with the exclusive jurisdiction to determine the rights of claimants to public lands, and until it has exhausted its jurisdiction by the issuance of a patent, a court will not assume to determine which of two rival claimants is entitled to the property. (Johnson v. Towsley, 13 Wall. 72; Marquez

vs. Frisbie, 101 U. S. 473.) But the Government is not an adverse party to a proceeding to acquire title to its property, nor is the Land Department a tribunal to which it must submit its rights or litigate with one who has taken possession of its property or has attempted to acquire title thereto. The notice required by statute of an application for patent to a mining claim is designed and intended to cut off the rights of private claimants and not the Government of the United States. It is given in order that all persons having adverse claims may be heard in opposition to the issuance of the patent. [1109] But (Sec. 2325), "If no adverse claim shall have been filed it shall be presumed that no adverse claim exists, and thereafter, no objection from third persons to the issuance of patent shall be heard except it be determined that the applicant has failed to comply with the terms of this chapter." Sec. 2325 R. S. If, however, an adverse claim is filed during the period of publication, the adverse claimant is required by section 2326 to commence within 30 days thereafter proceedings in a court of competent jurisdiction to determine the same, thus clearly showing that the purpose of the statute is to make the proceedings binding on private parties and not the Government. There is no reason to be found in the relation of the Government to such a proceeding which will deprive it of the same right to relief if the proceedings are fraudulent or unlawful as an individual would have in regard to his own contract procured under similar circumstances. Indeed, there are reasons why it should not be denied the right to invoke the aid of a

court by the mere receipt and acceptance of an application for a patent and the purchase price by an officer of the Local Land Office, for, as said by Mr. Justice Miller in *U. S. vs. Miner (supra)*: "In nine cases out of ten, perhaps in a much larger percentage, the proceedings are wholly *ex parte*. In the absence of any contesting claimant for a right to purchase or secure the land, the party applying has it all his own way. He makes his own purchase, sworn to before those officers, and he produces affidavits. If these affidavits meet the requirements of the law, the claimant succeeds, and what is required is so well known that it is generally reduced to a formula. It is not possible for the officers of the Government, except in a few rare instances, to know anything of the truth or falsehood of these statements. In the cases where there is no contesting claimant there is no adversary proceeding whatever. The United States is passive; it opposes no resistance to the establishment of the [1110] claim, and makes no issue on the statement of the claimant. When, therefore, he succeeds by misrepresentations, by fraudulent practices, aided by perjury, there would seem to be more reason why the United States, as the owner of the land of which it has been defrauded by these means, should have remedy against that fraud—all the remedy which the courts can give—then in the case of a private owner of a few acres of land on whom a like fraud has been practiced."

I am of opinion, therefore, that the Court has jurisdiction to try the questions involved in these cases. If, however, I am mistaken as to the extent of

the jurisdiction, the Government is clearly entitled upon the allegations of the bill and the showing made to invoke the aid of a court of equity to protect the property from waste and destruction pending the final determination of its rights therein in the Land Department out of the court. (Northern Lumber Company vs. Ryan, 124 Fed. 819; El Doro Oil Company vs. U. S. 229 Federal 246.)

Even where land has ceased to be public lands by pre-emption, homestead and like claims but to which claimant has not perfected his title, they are still so far public lands of the United States that the Government may protect them from waste. (Shiver vs. U. S. 159 U. S. 491.)

The Land Department has no general equitable power. It cannot grant injunctions, appoint receivers, nor, by its orders or decrees prevent trespass upon or protect the public domain from spoliation. It is true under the Act of Congress of August 25, 1914, the Secretary of the Interior is authorized in his discretion to enter into agreements with a certain class of applicants for patents for oil and gas lands included within an order of withdrawal, relative to the disposition of oil or gas produced therefrom. This is a discretionary power probably intended for the benefit and to protect from liability these [1111] trespassers, those who in the judgment of the Secretary have mistakenly trespassed upon land not open to entry and in good faith expended money in prospecting for oil and in the development and the improvement of the property. In one of the cases now under consideration an application for



such a contract has been made and denied by the Secretary on the ground and for the reason that suit was then pending in this court. His reasons for refusing to enter into the contract are not the subject of review here. It is enough that no such contract has been made.

The remaining question is whether the motion for an injunction and the appointment of a receiver should be allowed. No discovery of oil had been made on any of the property at the time of the withdrawal order of September 27, 1909, and as there can be no location of a mining claim valid as against the Government until the discovery of mineral within the limits of the claim (Sections 2320 and 2329 R. S.) it follows that the defendants have no right or claim to the property included in such order which they can assert against the Government unless it shall appear that valid locations were made prior thereto on account of the gypsum contents or the defendants or their predecessors in interest were at the date thereof *bona fide* occupants and in diligent prosecution of work leading to the discovery within the meaning of the saving clause of the Act of June 25, 1910.

The Government claims and alleges that the land does not contain gypsum of any substantial value, and that it has sought to be located solely for its oil contents, that the alleged discovery of gypsum is a mere subterfuge designed to avoid the effect of the withdrawal order, and that the alleged location of the property involved in suit A-37 was made by the so-called locators for the use and benefit of the de-



fendant company and not for themselves.

On this preliminary hearing, it is not necessary that the [1112] Court express an opinion upon these questions. Indeed it would be improper for it to do so, except to say that the showing made indicates very clearly that there is substantial ground for the Government's position.

The defendants, however, are in possession and actually engaged in extracting and threatening to extract large quantities of oil, thus destroying the very substance of the estate. They are disposing of the oil at much less than its current market value. Their holdings consist principally of the property in controversy and it is not probable that they would be able to respond in damages if they lose the property. Moreover, it is shown that the marketing companies will not purchase oil from the disputed land without the consent of the Government, because of these suits. Under these circumstances it appears to me that either an injunction should issue to prevent further operations *pendente lite*, or a receiver should be appointed with authority to operate or cause the property to be operated. An injunction would probably result in serious damage to, if not the substantial destruction of the property by the infiltration of water and otherwise, and would be of much greater injury to the defendants if the property should ultimately be awarded to them than the appointment of a receiver.

I am of the opinion, therefore, that a receiver should be appointed for the property in controversy, except the southern half of section 22. The com-

plaint alleges that this latter tract was within the withdrawal order of September 27, 1909, but the proof shows this to be an error. A part thereof has already passed to patent, and the remainder is described in the withdrawal order of October 5, 1910, but there is no allegation in the bill that oil had not been discovered thereon prior to that time. In fact, the inference is to the contrary, as the bill impliedly, at least, admits the discovery of oil in July, 1910.

[1113] The defendants, however, acting under the advice, no doubt, of learned counsel, have in good faith, at least, with no apparent intention of defrauding the Government, expended large sums of money in improving and developing the property and I am not satisfied that they are not now operating it economically and carefully. The receiver, therefore, to be hereafter appointed should permit the defendants to continue the operation under his supervision and should make no change in the present status or operation of the property without the consent of the defendants unless by order of the Court made after notice to the defendants, other than such as may be necessary to enable him to ascertain the present condition of the property and receive the output thereof, and to keep a record and accounting thereof.

A decree may be prepared accordingly. [1114]

#### **Stipulation Re Statement of Evidence.**

IT IS HEREBY STIPULATED by and between the parties to this cause, through their respective solicitors, that the foregoing statement of evidence to be incorporated in the record on appeal may be approved by the Honorable Robert S. Bean, at

Chambers, in the City of Portland, District of Oregon, and afterwards approved in open court by one of the United States District Judges sitting at Los Angeles, California, within and for the Southern District, Southern Division, as the statement of evidence to be incorporated in the record on appeal for the purpose of defendants' appeal herein to the United States Circuit Court of Appeals, Ninth Circuit, under Equity Rule No. 75, and the plaintiff hereby waives its right to have the statement of evidence first lodged in the Clerk's Office for its examination, and further waives its right to ten days' notice of the time and place when and where the defendants will ask the Court or Judge to approve the same as provided for in said Rule No. 75.

ROBERT O'CONNOR,  
United States Attorney.

HENRY F. MAY,

FRANK HALL,

Special Assistants to the Attorney General, Solicitors  
for Plaintiff.

JOSEPH D. REDDING,  
MORRISON, DUNNE & BROBECK,  
Solicitors for Defendants.

Oct. 8th, 1917. [1115]

**Order Approving Statement of Evidence.**

(Approval of Statement of Evidence by District  
Judge.)

Submitted to and approved by me this 12th day of October, A. D. 1917, as the statement of evidence to be used for the purpose of appeal to the Circuit

Court of Appeals of the United States for the Ninth Circuit, under Rule 75 of the "Rules of Practice for the Courts of Equity of the United States," from the decree herein.

R. S. BEAN,  
United States District Judge.

Upon agreement of all the parties the foregoing statement of evidence is submitted to and approved by me in open court, at Los Angeles, California, this 22d day of October, A. D. 1917, as the statement of evidence to be used for the purpose of appeal to the Circuit Court of Appeals of the United States for the Ninth Circuit, under Rule 75, of the "Rules of Practice for the courts of Equity of the United States," from the decree herein.

By the Court.

OSCAR A. TRIPPET,  
United States District Judge.

[Endorsed]: Statement of Evidence. Filed in the District Court on —, 1917. [1116]

[Endorsed]: Transcript on Appeal. Statement of Evidence. Cases: In Equity, No. A-37. In Equity, No. A-52. In Equity, No. A-57. Filed Oct. 22, 1917. Wm. M. Van Dyke, Clerk. Geo. W. Fenimore, Deputy. [1117]

*In the District Court of the United States, in and for  
the Southern District of California, Northern Di-  
vision, Ninth Circuit.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

LOST HILLS MINING COMPANY, UNIVER-  
SAL OIL COMPANY, and ASSOCIATED  
OIL COMPANY,

Defendants.

**Petition for Appeal by the Lost Hills Mining Com-  
pany, a Corporation, and the Universal Oil Com-  
pany, a Corporation.**

The above-named defendants, Lost Hills Mining Company, a corporation, and Universal Oil Company, a corporation, feeling themselves aggrieved by the order and decree made on the 20th day of December, 1916, in the above-entitled case, wherein the above-entitled Court made its order appointing Howard M. Payne, Receiver of these certain properties and lands, to wit: The northwest quarter and the southeast quarter of Section thirty, and the north half of Section thirty-two, all in township twenty-six south, range twenty-one east, Mount Diablo Base and Meridian, and situated in Kern County, California, involved in the above-entitled action, do hereby appeal from said order and decree to the United States Circuit Court of Appeals for the Ninth Circuit for the reasons, and upon the grounds, specified in the



assignment of errors, which is filed herewith. Said defendants pray that this appeal may be allowed, and that a transcript of the record, proceedings, and papers upon which said order was made, duly authenticated, may be sent to the United States Circuit Court of Appeals for the Ninth Circuit. [1118]

Dated January 15th, 1917.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants and Appellants, the Lost Hills Mining Company, and the Universal Oil Company.

OSCAR SUTRO,

Of Counsel.

[Endorsed]: In Equity—A-52. In the District Court of the United States, in and for the Southern District of California, Northern Division, Ninth Circuit. United States of America, Plaintiff, vs. Lost Hills Mining Company, Universal Oil Company, and Associated Oil Company, Defendants. Petition for Appeal by the Lost Hills Mining Company, a Corporation, and the Universal Oil Company, a Corporation. Service of the Within Petition for Appeal Acknowledged this 15th day of January, 1917. E. J. Justice, Albert Schoonover, Frank Hall, Attorneys for Appellees. Filed Jan. 16, 1917. Wm. M. Van Dyke, Clerk. By Leslie S. Colyer, Deputy Clerk. Joseph D. Redding, Morrison, Dunne & Brobeck, Attorneys for Defendants and Appellants, Lost Hills Mining Company and Universal Oil Company, Crocker Building, San Francisco. [1119]

30074-17

*In the District Court of the United States, in and for  
the Southern District of California, Northern Di-  
vision, Ninth Circuit.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

LOST HILLS MINING COMPANY, UNIVER-  
SAL OIL COMPANY, and ASSOCIATED  
OIL COMPANY,

Defendants.

**Undertaking on Appeal.**

KNOW ALL MEN BY THESE PRESENTS:  
That the undersigned, the United States Fidelity &  
Guaranty Company, a corporation, duly organized  
and existing and doing business under and by virtue  
of the laws of the State of Maryland is held and  
firmly bound unto the above-named respondent, the  
United States of America, in the sum of Five Hun-  
dred Dollars (\$500.00) to be paid to said United  
States of America, for the payment of which, well  
and truly to be made, the undersigned binds itself,  
its successors and assigns firmly by these presents.

IN WITNESS WHEREOF, The said United  
States Fidelity & Guaranty Company has caused this  
obligation to be signed by its duly authorized Attor-  
ney in Fact, and its Corporate Seal to be hereunto  
affixed at San Francisco, California, this 15th day of  
January, A. D. 1917.

The condition of this bond is such that whereas the above-named defendants, Lost Hills Mining Company, a corporation, and Universal Oil Company, a corporation, have prosecuted an appeal to the United States Circuit Court of Appeals, Ninth Circuit, to reverse the decree and order made in the above-entitled action on the 20th day of December, 1916, appointing Howard M. Payne, Receiver of certain properties of the said defendant by the District Court of the United States, for the Southern District of California, [1120] Northern Division.

NOW THEREFORE, The condition of this obligation is such that if the above-named Lost Hills Mining Company, a corporation and Universal Oil Company, a corporation, shall prosecute said appeal to effect and answer all damages and costs if they fail to make said appeal good, then this obligation shall be void, otherwise the same shall be and remain in full force and virtue.

UNITED STATES FIDELITY & GUAR-  
ANTY COMPANY,

[Seal]

By H. B. D. JOHNS,

Attorney-in-Fact.

By W. S. ALEXANDER,

Attorney-in-Fact.

Approved.

M. T. DOOLING,

Judge.

[Endorsed]: In Equity—A-52. In the District Court of the United States for the Southern District of California, Northern Division, Ninth Circuit. The United States of America, Plaintiff, vs. The Lost

Hills Mining Company, The Universal Oil Company, and The Associated Oil Company, Defendants. Undertaking on Appeal. Filed Jan. 16, 1917. Wm. M. Van Dyke, Clerk. By Leslie S. Colyer, Deputy Clerk. Joseph D. Redding, Morrison, Dunne & Brobeck, Attorneys for Defendants and Appellants, The Lost Hills Mining Company and the Universal Oil Company, Crocker Bldg., San Francisco. [1121]

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*In the District Court of the United States, for the Southern District of California, Northern Division, Ninth Circuit.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

THE LOST HILLS MINING COMPANY, UNIVERSAL OIL COMPANY, and THE ASSOCIATED OIL COMPANY,

Defendants,

**Order Allowing Appeal and Fixing Amount of Bond.**

On motion of Joseph D. Redding, Esq., one of the solicitors for the defendants, the Lost Hills Mining Company, a corporation, and the Universal Oil Company, a corporation, and on filing the petition of said defendants for an order allowing an appeal, together with an assignment of errors and a prayer for the reversal of the order appointing a Receiver,

IT IS HEREBY ORDERED that an appeal be,

and is hereby, allowed to the United States Circuit Court of Appeals for the Ninth Circuit from the order given and made on the 20th day of December, 1916, and filed in the District Court of the United States for the Southern District of California, Northern Division, appointing Howard M. Payne, as Receiver to take charge of the property of said defendants, and each of them.

IT IS FURTHER ORDERED that a transcript of the record, proceedings, papers and exhibits upon which said order was made, duly authenticated and certified, be forthwith transmitted to said United States Circuit Court of Appeals for the Ninth Circuit.

IT IS FURTHER ORDERED that the bond on appeal be fixed at Five hundred (\$500.00) to be approved by the Court. [1122]

Dated January 15, 1917.

M. T. DOOLING,  
District Judge.

[Endorsed]: In Equity—A-52. In the District Court of the United States for the Southern District of California, Northern Division, Ninth Circuit. The United States of America, Plaintiff, vs. The Lost Hills Mining Company, The Universal Oil Company, and The Associated Oil Company, Defendants. Order Allowing Appeal. Service of Within Order Allowing Appeal is Hereby acknowledged this 15th day of January, 1917. E. J. Justice, Albert Schoonover, Frank Hall, Attorneys for Appellees. Filed Jan. 16, 1917. Wm. M. Van Dyke, Clerk. By Leslie S.



Colyer, Deputy Clerk. Joseph D. Redding, Morrison, Dunne & Brobeck, Attorneys for Defendants, and Appellants, The Lost Hills Mining Company and The Universal Oil Company, Crocker Bldg., San Francisco. [1123]

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*In the District Court of the United States, for the Southern District of California, Northern Division, Ninth Circuit.*

IN EQUITY—No. A-52.

THE UNITED STATES OF AMERICA,

Plaintiff,

vs.

THE LOST HILLS MINING COMPANY, THE  
UNIVERSAL OIL COMPANY, and THE  
ASSOCIATED OIL COMPANY,

Defendants.

**Assignment of Errors on Appeal of the Lost Hills Mining Company, a Corporation, and the Universal Oil Company, a Corporation, Defendants, and Prayer for Reversal of Order Appointing Receiver.**

Now come the Lost Hills Mining Company, a corporation, and the Universal Oil Company, a corporation, and having prayed for an appeal to the United States Circuit Court of Appeals for the Ninth Circuit from the order and decree of the above-entitled United States District Court made on the 20th day of December, 1916, wherein and whereby one, Howard M. Payne, was appointed Receiver of the following

described property, to wit: The northwest quarter and southeast quarter of Section thirty, and the north half of Section thirty-two, all in township twenty-six south, range twenty-one east, Mount Diablo Base and Meridian, and situated in Kern County, California, respectfully represent as grounds of appeal and as assignment of errors herein, and do hereby assign that the above-entitled United States District Court erred in the following particulars: [1124]

I.

That the United States District Court erred in making said order and in appointing said receiver.

II.

That said District Court erred in making said order in this that said Court had not, nor had the Judge thereof, any jurisdiction to make said order, appointing said receiver.

III.

That said District Court erred in not granting the motion of defendant to dismiss the bill of complaint herein.

IV.

That said District Court erred in holding that said District Court had any jurisdiction to try any of the issues involved in the above-entitled action.

V.

That said District Court erred in refusing to grant the motion of defendant to dismiss the bill of complaint on the ground that the sole jurisdiction to determine the issues involved in said action was, at all times since the commencement of this action, and still

is, in the General Land Department of the United States.

VI.

That said District Court erred in holding that the General Land Department of the United States to whom applications had been made for patents to the lands involved in said action, did not have exclusive jurisdiction to determine all the issues involved in the above-entitled action.

VII.

That said District Court erred in retaining jurisdiction of the subject matter of said suit and in appointing said receiver for the reason that the General Land Department of the United States had exclusive jurisdiction to determine all issues in said suit.  
[1125]

VIII.

That said District Court erred in not holding that the General Land Office before whom application for patents to the aforesaid lands were pending was the only tribunal competent and having power and jurisdiction to pass upon the issues involved in the above-entitled action.

IX.

That said District Court erred in holding that it had jurisdiction to determine the question of title to the lands involved in this action when it affirmatively appeared that patents had been applied for by defendants to the lands involved in this action, and there was pending an undetermined contest in the General Land Department of the United States, and that testimony was being taken upon the question

as to whether or not these defendants were entitled to patents to said lands in said contest in said General Land Department of the United States.

X.

That said District Court erred in refusing to grant the motion of said defendants to dismiss the bill of complaint on the ground that the Court had no jurisdiction to try the issues involved in said suit for the reason that the defendant, Lost Hills Mining Company, long prior to the commencement of the above-entitled action did duly make and file its applications for patents to said lands in the proper land office of the United States, at Visalia, California, wherein and whereby it did apply to the United States of America and to the General Land Department thereof in accordance with the laws of the United States of America and the rules and regulations of the Department of the Interior in reference thereto; upon which said applications for patents, issue had been joined by the United States; and which said applications for patents, were, at the [1126] time of the making of said order appointing said receiver, to wit, on the 20th day of December, 1916, and, at the time of the hearing of said motion of said defendants to dismiss said bill of complaint and of the motion for a receiver, to wit, on the 21st, 22d, 23d, 24th, 25th, 28th and 29th days of August, 1916, still pending in the Land Department of the United States and undetermined, and the evidence upon the hearings of said applications for said patents was still in process of being taken in the General Land Department of the United States.

XI.

That said District Court erred in making said order and decree and appointing said receiver in that long prior to the commencement of said action the defendant, the Lost Hills Mining Company, had bought the land involved in said action from the plaintiff, had paid the full purchase price therefor and had received a receipt from the plaintiff for said purchase price.

XII.

That said District Court erred in refusing to grant the motion of the said defendants to dismiss said action, and furthermore erred in making said order appointing a receiver in this that the said Court never has had, and has not at the present time, any jurisdiction of the subject matter in this action.

XIII.

That said District Court erred in holding and in construing the above-entitled action as one brought for ancillary relief.

XIV.

That said District Court erred in holding that upon the complaint filed in the above-entitled action, it had jurisdiction to grant relief by the appointment of a receiver as ancillary to the proceedings in the General Land Department of the United States. [1127]

XV.

That said District Court erred in not holding that it had no jurisdiction to grant the ultimate relief asked for in the bill of complaint, and therefore that it had no jurisdiction to grant ancillary relief by the appointment of a receiver.



## XVI.

That said District Court erred in appointing a receiver upon the bill of complaint as filed and regarding the action as ancillary to the proceedings in the Land Department, whereas this action, as a matter of fact, was and is in opposition to and in disregard of the proceedings in the Land Department.

## XVII.

That said District Court erred in making said order appointing said receiver in this that said Court abused its discretion and committed an abuse of discretion in making said order.

## XVIII.

That said District Court erred in making said order in that the complaint of plaintiff in said action did not show facts justifying the appointment of a receiver.

## XIX.

That said District Court erred in directing the receiver to take charge of the oil and gas produced from said lands and to dispose of the same, and in directing the defendants to pay over to the receiver the proceeds of the sale of oil or gas produced from said lands.

## XX.

That said District Court erred in holding that the complainant was not amply protected as to all of its rights in the General Land Department of the United States by reason of the applications for patents to said lands involved herein on the part of the defendant, Lost Hills Mining Company, herein, and the [1128] application on the part of the defendants,

Lost Hills Mining Company, a corporation, and Universal Oil Company, a corporation, for leases under the terms and provisions of the Act of Congress of August 25th, 1914, entitled "An Act to Amend an Act Entitled 'An Act to Protect the Locators in Good Faith of Oil and Gas Land Who Shall Have Effected an Actual Discovery of Oil or Gas on the Public Lands of the United States, or Their Successors in Interest,' Approved March 2d, 1911."

XXI.

That said District Court erred in making said decree and order appointing a receiver in said action in that the complaint contains no allegation that the properties in question have been, or are being mismanaged, nor was any evidence introduced, nor did the Court hold that the said properties have not been, or are not being properly and economically managed, and furthermore the complaint in this action does not allege, nor did the evidence offered at the hearing of said application show, or tend to show that any of the defendants are insolvent, nor was any evidence offered or introduced to show, nor did the Court hold that in the management and operation of said properties said defendants conducted such management and operation in any manner different from the management and operation thereof as the same could, would or should be conducted by any receiver who might be appointed in the premises.

XXII.

That said District Court erred in making said order and decree in that said order is against the

evidence presented at the hearing of said motion for a receiver.

## XXIII.

That said District Court erred in making said order and decree appointing said receiver in that said order and decree is against law. [1129]

WHEREFORE, the defendants, Lost Hills Mining Company, a corporation, and Universal Oil Company, a corporation, pray that said order appointing said receiver herein may be directed to be expunged from the records of said District Court for want of jurisdiction in said Court to give and make said order appointing a receiver, and that the order appointing said receiver be corrected and reversed and the receiver discharged, and all moneys and properties received by said receiver from these defendants be returned to them; in order that the foregoing assignment of errors may be and appear of record the defendants above named present the same to this Court and pray that such disposition may be made thereof as by the law and statutes of the United States in such case made and provided.

Dated January 15th, 1917.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants.

OSCAR SUTRO,

Of Counsel.

[Endorsed]: In Equity—A-52. In the District Court of the United States for the Southern District of California, Northern Division, Ninth Circuit. The United States of America, Plaintiff, vs. The Lost

Hills Mining Company, The Universal Oil Company and The Associated Oil Company, Defendants. Assignment of Errors on Appeal. Service of the Within Assignment of Errors is Hereby Acknowledged This 15th Day of January, 1917. E. J. Justice, Albert Schoonover, Frank Hall, Attorneys for Appellees. Filed Jan. 16, 1917. Wm. M. Van Dyke, Clerk. By Leslie S. Colyer, Deputy Clerk. Joseph D. Redding, Morrison, Dunne & Brobeck, Attorneys for Defendants and Appellants, The Lost Hills Mining Company, and The [1130] Universal Oil Company, Crocker Building, San Francisco. [1131]

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*In the District Court of the United States, in and for  
the Southern District of California, Northern  
Division, Ninth Circuit.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,

Plaintiffs,

vs.

THE LOST HILLS MINING COMPANY, THE  
UNIVERSAL OIL COMPANY, and THE  
ASSOCIATED OIL COMPANY,

Defendants.

**Stipulation Re Allowance of Appeal.**

IT IS HEREBY STIPULATED between the parties hereto that the petition for appeal and assignment of errors in the above-entitled action may be presented for allowance by the defendants, the Lost Hills Mining Company, a corporation, and

the Universal Oil Company, a corporation, to the Honorable Maurice T. Dooling, regularly sitting by special assignment in the above-entitled court in special session held in the city and county of San Francisco, State of California, and that said Honorable Maurice T. Dooling may sign and allow said appeal, while sitting as aforesaid by special assignment in said special session in said city and county of San Francisco, State of California, and may sign the order allowing the appeal and the citation of appeal and approve the bond furnished by said defendants on appeal, and

IT IS FURTHER STIPULATED that no objection or advantage shall be taken of the fact that the Court is holding special session in the city and county of San Francisco, State of California, and that the said appeal and the allowance thereof are presented and allowed by a Judge of said court, other than the Judge who made the order from which this appeal is taken. [1132]

Dated January 15th, 1917.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for the Lost Hills Mining Company and the Universal Oil Company, Defendants and Appellants.

OSCAR SUTRO,

Of Counsel.

E. J. JUSTICE,

ALBERT SCHOONOVER,

FRANK HALL,

Solicitors for Complainant and Respondent.



[Endorsed]: In Equity—A-52. In the District Court of the United States for the Southern District of California, Northern Division, Ninth Circuit. The United States of America, Plaintiff, vs. The Lost Hills Mining Company, The Universal Oil Company, and The Associated Oil Company, Defendants. Stipulation on Appeal. Filed Jan. 16, 1917. Wm. M. Van Dyke, Clerk. By Leslie S. Colyer, Deputy Clerk. Joseph D. Redding, Morrison, Dunne & Brobeck, Attorneys for Defendants and Appellants, The Lost Hills Mining Company, and the Universal Oil Company, Crocker Bldg., San Francisco. [1133]

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*In the District Court of the United States, for the Southern District of California, Northern Division, Ninth Circuit.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,  
Plaintiff and Appellee,  
vs.

LOST HILLS MINING COMPANY and UNI-  
VERSAL OIL COMPANY,  
Defendants and Appellants.

**Stipulation and Order Enlarging Time to and Including March 18, 1917, for Filing Statement of Evidence.**

IT IS HEREBY STIPULATED by and between the parties hereto, by their respective solicitors, in the above-entitled cause, that the defendants and

appellants, Lost Hills Mining Company and Universal Oil Company, each a corporation, may have up to and including the 18th day of March, 1917, within which to file for approval its statement of the evidence to be included in the record on appeal, as provided for in Equity Rule No. 75, and that the plaintiff and appellee may have ten days from and after receiving notice of the filing of said statement of evidence with the clerk of the above-entitled court within which to file objections and proposed amendments thereto.

Dated February 13, 1917.

ALBERT SCHOONOVER,

United States Attorney,

E. J. JUSTICE,

Special Assistant to the Attorney General,

A. E. CAMPBELL,

Special Assistant to the Attorney General,

FRANK HALL,

Special Assistant to the Attorney General,

Solicitors for Plaintiff and Appellee.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants and Appellants.

It is ordered.

M. T. DOOLING,

District Judge. [1134]

[Endorsed]: Original. In Equity—No. A-52. In the District Court of the United States, for the Southern District of California, Northern Division, Ninth Circuit. United States of America, Plaintiff,

vs. Lost Hills Mining Company and Universal Oil Company, Defendants. Stipulation Enlarging Time for Filing Statement of Evidence. Filed Feb. 16, 1917. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. Joseph D. Redding, and Morrison, Dunne & Brobeck, Crocker Building, San Francisco, Solicitors for Defendants. [1135]

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*In the District Court of the United States, for the Southern District of California, Northern Division, Ninth Circuit.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,  
Plaintiff and Appellee,  
vs.

LOST HILLS MINING COMPANY and UNIVERSAL OIL COMPANY,  
Defendants and Appellants.

**Stipulation and Order Enlarging Time to and Including May 18, 1917, for Filing Statement of Evidence.**

IT IS HEREBY STIPULATED by and between the parties hereto, by their respective solicitors, in the above-entitled cause, that the defendants and appellants, Lost Hills Mining Company and Universal Oil Company, each a corporation, may have up to and including the 18th day of May, 1917, within which to file for approval their statement of the evidence to be included in the record on appeal,

as provided for in Equity Rule No. 75, and that the plaintiff and appellee may have ten days from and after receiving notice of the filing of said statement of evidence with the clerk of the above-entitled court within which to file objections and proposed amendments thereto.

Dated March 12, 1917.

ALBERT SCHOONOVER,  
United States Attorney,  
E. J. JUSTICE,  
Special Assistant to the Attorney General,  
A. E. CAMPBELL,  
Special Assistant to the Attorney General,  
FRANK HALL,  
Special Assistant to the Attorney General,  
Solicitors for Plaintiff and Appellee.  
JOSEPH D. REDDING,  
MORRISON, DUNNE & BROBECK,  
Solicitors for Defendants and Appellants.

It is ordered.

M. T. DOOLING,  
District Judge. [1136]

[Endorsed]: In Equity—No. A-52. In the District Court of the United States, for the Southern District of California, Northern Division, Ninth Circuit. United States of America, Plaintiff, vs. Lost Hills Mining Company, and Universal Oil Company, Defendants. Stipulation and Order Enlarging Time for Filing Statement of Evidence. Filed Mar. 13, 1917. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. Joseph D. Redding, and

Morrison, Dunne & Brobeck, Crocker Building, San Francisco, Solicitors for Defendants. [1137]

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*In the District Court of the United States for the Southern District of California, Northern Division, Ninth Circuit.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,

Plaintiff and Appellee,

vs.

LOST HILLS MINING COMPANY and UNIVERSAL OIL COMPANY,

Defendants and Appellants.

**Stipulation and Order Enlarging Time to and Including July 18, 1917, for Filing Statement of Evidence.**

IT IS HEREBY STIPULATED by and between the parties hereto, by their respective solicitors, in the above-entitled cause, that the defendants and appellants, Lost Hills Mining Company and Universal Oil Company, each a corporation, may have up to and including the 18th day of July, 1917, within which to file for approval their statement of the evidence to be included in the record on appeal, as provided for in Equity Rule No. 75, and that the plaintiff and appellee may have ten days from and after receiving notice of the filing of said statement of evidence with the clerk of the above-entitled court



within which to file objections and proposed amendments thereto.

Dated May 14th, 1917.

ALBERT SCHOONOVER,

United States Attorney,

E. J. JUSTICE,

Special Assistant to the Attorney General,

A. E. CAMPBELL,

Special Assistant to the Attorney General,

FRANK HALL,

Special Assistant to the Attorney General,

Solicitors for Plaintiff and Appellee.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants and Appellants.

It is ordered.

M. T. DOOLING,

District Judge. [1138]

[Endorsed]: In Equity—No. A-52. In the District Court of the United States, for the Southern District of California, Northern Division, Ninth Circuit. United States of America, Plaintiff and Appellee, vs. Lost Hills Mining Company and Universal Oil Company, Defendants and Appellants. Stipulation Enlarging Time for Filing Statement of Evidence. Filed May 15, 1917. Wm. M. Van Dyke, Clerk. By R. S. Zimmerman, Deputy Clerk. Joseph D. Redding, Morrison, Dunne and Brobeck, Attorneys for Defendants and Appellants, Crocker Building, San Francisco. [1139]

*In the District Court of the United States, for the  
Southern District of California, Northern Divi-  
sion, Ninth Circuit.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,  
Plaintiff and Appellee,  
vs.

LOST HILLS MINING COMPANY and UNI-  
VERSAL OIL COMPANY,  
Defendants and Appellants.

**Stipulation and Order Enlarging Time to and Includ-  
ing September 18, 1917, for Filing Statement of  
Evidence.**

IT IS HEREBY STIPULATED by and between the parties hereto, by their respective solicitors, in the above-entitled cause, that the defendants and appellants, Lost Hills Mining Company and Universal Oil Company, each a corporation, may have up to and including the 18th day of September, 1917, within which to file for approval their statement of the evidence to be included in the record on appeal, as provided for in Equity Rule No. 75, and that the plaintiff and appellee may have ten days from and after receiving notice of the filing of said statement of evidence with the clerk of the above-entitled court within which to file objections and proposed amendments thereto.

Dated July 6th, 1917.

ALBERT SCHOONOVER,  
United States Attorney,  
E. J. JUSTICE,  
Special Assistant to the Attorney General,  
FRANK HALL,  
Special Assistant to the Attorney General,  
\_\_\_\_\_,  
Special Assistant to the Attorney General,  
Solicitors for Plaintiff and Appellee.  
JOSEPH D. REDDING,  
MORRISON, DUNNE & BROBECK,  
Solicitors for Defendants and Appellants.  
It is ordered.

WM. W. MORROW,  
District Judge. [1140]

[Endorsed]: In Equity—No. A-52. In the District Court of the United States, for the Southern District of California, Northern Division, Ninth Circuit. United States of America, Pltf. and Appellee, vs. Lost Hills Mining Company and Universal Oil Company, Defts. and Appellants. Stipulation Enlarging Time for Filing Statement of Evidence. Filed Jul. 14, 1917. Wm. M. Van Dyke, Clerk. By R. S. Zimmerman, Deputy Clerk. Joseph D. Redding, Morrison, Dunne & Brobeck, Crocker Building, San Francisco, Cal., Solicitors for Defendants and Appellants. [1141]

*In the District Court of the United States for the  
Southern District of California, Northern Divi-  
sion, Ninth Circuit.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,  
Plaintiff and Appellee,  
vs.

LOST HILLS MINING COMPANY and UNI-  
VERSAL OIL COMPANY,  
Defendants and Appellants.

**Stipulation and Order Enlarging Time to and In-  
cluding November 18, 1917, for Filing Statement  
of Evidence.**

IT IS HEREBY STIPULATED by and between the parties hereto by their respective solicitors, in the above-entitled cause, that the defendants and appellants, Lost Hills Mining Company and Universal Oil Company, each a corporation, may have up to and including the 18th day of November, 1917, within which to file for approval their statement of the evidence to be included in the record on appeal, as provided for in Equity Rule No. 75, and that the plaintiff and appellee may have ten days from and after receiving notice of the filing of said statement of evidence with the clerk of the above-entitled court within which to file objections and proposed amendments thereto.

Dated September 10, 1917.

ALBERT SCHOONOVER,  
United States Attorney,  
HENRY F. MAY,  
Special Assistant to the Attorney General,  
FRANK HALL,  
Special Assistant to the Attorney General,  

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,  
Special Assistant to the Attorney General,  
Solicitors for Plaintiff and Appellee.  
JOSEPH D. REDDING,  
MORRISON, DUNNE & BROBECK,  
Solicitors for Defendant and Appellants.

[1142]

It is ordered.

WM. H. HUNT,  
Judge.

[Endorsed]: In Equity—No. A-52. In the District Court of the United States, for the Southern District of California, Northern Division, Ninth Circuit. United States of America, Plaintiff, vs. Lost Hills Mining Company and Universal Oil Company, Defendants. Stipulation Enlarging Time for Filing Statement of Evidence. Filed Sep. 14, 1917. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. Joseph D. Redding, and Morrison, Dunne & Brobeck, Crocker Building, San Francisco, Solicitors for Defendants. [1143]



*In the District Court of the United States for the  
Southern District of California, Northern Division.*

IN EQUITY—No. A-37.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

DEVIL'S DEN CONSOLIDATED OIL COMPANY,  
ASSOCIATED OIL COMPANY and  
STANDARD OIL COMPANY,

Defendants.

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

LOST HILLS MINING COMPANY, UNIVERSAL OIL COMPANY and ASSOCIATED OIL COMPANY,

Defendants.

IN EQUITY—No. A-57.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

LOST HILLS MINING COMPANY and UNIVERSAL OIL COMPANY,

Defendants.

**Stipulation for but One Transcript of the Record and Statement of Evidence on Appeal, as to the Use Thereof on Appeal, and for the Time of Filing of Statement of Evidence.**

IT IS HEREBY STIPULATED and agreed by and between the parties in the above-entitled causes, by their respective counsel, [1144] that in perfecting the record for appeals of the above-entitled causes, to the United States Circuit Court of Appeals, only one record of the statement of the evidence to be incorporated in the record on appeal, shall be required, to wit, the statement of the evidence in case No. A-52; such record to include such of the clerk's records in each of said within causes as desired by either of the parties; and one statement of the evidence introduced upon the hearing of the application for a receiver in said causes, the same having been at that time consolidated for said hearing, and such record when so approved may be used by the defendants, or either of them, or by the plaintiff as the record on appeal in either or all of such causes, when and where applicable and relevant.

IT IS FURTHER STIPULATED by and between the parties in the above-entitled causes that the defendants therein may have until the 30th day of October, 1917, within which to file for approval its statement of the evidence to be included in the rec-

ord on appeal as provided for in equity rule No. 75.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,  
Solicitors for Defendants and Appellants.

ROBERT O'CONNOR,  
United States Attorney,

HENRY F. MAY,  
FRANK HALL,

Special Assistants to the Attorney General,  
Solicitors for the Plaintiff and Appellee. [1145]

[Endorsed]: In the District Court of the United States for the Southern District of California, Northern Division. United States of America, Plaintiff, vs. Devil's Den Consolidated Oil Co. et al., Defendants. No. A-37. United States of America, Plaintiff, vs. Lost Hills Mining Company et al., Defendants. No. A-52. United States of America, Plaintiff, vs. Lost Hills Mining Company, et al., Defendants. No. A-57. Stipulation for but One Transcript of the Record and Statement of Evidence on Appeal, as to the Use Thereof on Appeal, and for the Time of Filing of Statement of Evidence. Filed Oct. 18, 1917. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. Joseph D. Redding and Morrison, Dunne & Brobeck, Crocker Building, San Francisco, Cal., Solicitors for Defendants. [1146]

*In the District Court of the United States for the  
Southern District of California, Northern Divi-  
sion, Ninth Circuit.*

Honorable ROBERT S. BEAN, Judge Presiding.

IN EQUITY—No. A-37.

UNITED STATES OF AMERICA,

Complainant,

vs.

DEVIL'S DEN CONSOLIDATED OIL COM-  
PANY, et al.,

Defendants.

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,

Complainant,

vs.

LOST HILLS MINING COMPANY, UNIVER-  
SAL OIL COMPANY, and ASSOCIATED  
OIL COMPANY,

Defendants,

IN EQUITY—No. A-57.

UNITED STATES OF AMERICA,

Complainant,

vs.

LOST HILLS MINING COMPANY and UNI-  
VERSAL OIL COMPANY,

Defendants.

**Stipulation for Approval of Statement of Evidence.**

[1147]

IT IS STIPULATED by and between the parties to this cause, through their respective solicitors, that the foregoing statement of evidence may be approved by the Court or Judge, as the statement of evidence to be used for the purposes of defendants' appeal to the Circuit Court of Appeals of the United States for the Ninth Circuit under Rule 75 of the "Rules of Practice for the Courts of Equity of the United States," and the complainant (United States of America) hereby expressly waives its right to have the statement of the evidence first lodged in the Clerk's office for its examination, and further waives its right to the ten days' notice of the time and place when and where the defendants will ask the Court or Judge to approve the same, as provided in and by said Rule 75.

ROBERT O'CONNOR,

United States District Attorney,

HENRY F. MAY,

Special Assistant to the Attorney General,

FRANK HALL,

Special Assistant to the Attorney General,

Solicitors for Complainant.

JOSEPH D. REDDING.

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants. [1148]

[Endorsed]: A-37 Eq. In the District Court of the United States, for the Southern District of Cali-



fornia, Northern Division, Ninth Circuit. United States of America, vs. Devil's Den Consolidated Oil Company et al. In Equity—No. 37. United States of America, vs. Lost Hills Mining Company et al. In Equity, Nos. A-52, A-57. Stipulation for Approval of Statement of Evidence. Filed Oct. 1, 1917. Wm. M. Van Dyke, Clerk. By R. S. Zimmerman, Deputy Clerk. Albert Schoonover, U. S. Dist. Atty., Frank Hall, Henry F. May, Special Assistants to the Attorney General, Solicitors for Complainant. Joseph D. Redding, Morrison, Dunne & Brobeck, Solicitors for Defendants. [1149]

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*In the District Court of the United States for the  
Southern District of California, Northern Division.*

A-52.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

LOST HILLS MINING COMPANY, UNIVERSAL OIL COMPANY, and ASSOCIATED OIL COMPANY, Corporations,

Defendants.

**Notice of Election by Defendants Lost Hills Mining Company and Universal Oil Company as to Printing Record.**

The Lost Hills Mining Company and Universal Oil Company, corporations, being appellants in the

above-entitled cause from an order of said Court to the United States Court of Appeals for the Ninth Circuit, hereby give notice that they elect to take and file in the said Appellate Court, to be printed under the supervision of its Clerk under its rules, a transcript of such portions of the record as may be duly settled under Rule 75 of the "Rules of Practice for the Courts of Equity of the United States," duly authenticated.

Dated October 16th, 1917.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants and Appellants. [1150]

[Endorsed]: A-52. In the District Court of the United States, for the Southern District of California, Northern Division. United States of America, Plaintiff, vs. Lost Hills Mining Company, Universal Oil Company and Associated Oil Company, Defendants. Notice of Election by Defendants as to Printing of Record. Filed Oct. 18, 1917. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. Joseph D. Redding and Morrison, Dunne & Brobeck, Crocker Building, San Francisco, Cal., Solicitors for Defendants. [1151]

*In the District Court of the United States for the  
Southern District of California, Northern Di-  
vision.*

IN EQUITY—No. A-52.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

LOST HILLS MINING COMPANY, UNIVER-  
SAL OIL COMPANY and ASSOCIATED  
OIL COMPANY,

Defendants.

**Amended Praecipe for Transcript on Appeal by De-  
fendants Lost Hills Mining Company and Uni-  
versal Oil Company, Corporations.**

To William M. Van Dyke, Clerk of the District Court  
of the United States, for the Southern District of  
California, Northern Division.

Please prepare and duly authenticate for the ap-  
peal of the defendants, Lost Hills Mining Company  
and Universal Oil Company, corporations, to the  
United States Circuit Court of Appeals for the Ninth  
Circuit from the order appointing a receiver in the  
above-entitled suit entered on December 21, 1916, a  
transcript incorporating the following portions of  
the record therein and none other:

1. Bill of complaint.
2. Amendment to bill of complaint.
3. Answer of defendants Universal Oil Company  
and Lost Hills Mining Company to the bill of

Complaint, and to amendment to bill of complaint.

4. Answer of the Associated Oil Company and Lost Hills Mining Company to the bill of complaint, and to amendment to bill of complaint.
5. Notice of motion to have the jurisdictional defense of the defendants separately heard and disposed of. [1152]
6. Notice of motion for restraining order and appointment of receiver.
7. Hearing orders entered July 28, 1916.
8. Three motions filed August 15, 1916, and orders thereon.
9. Orders on hearing August 16, August 17, August 21, August 22, August 23, August 24, August 25, August 28, August, 29, 1916.
10. Hearing order of October 4, 1916.
11. Order December 21, 1916, appointing Howard M. Payne, receiver.
12. Statement of the evidence to be incorporated in the record on appeal as finally approved by the Court or the Judge thereof.
13. The petition of Lost Hills Mining Company and Universal Oil Company for their said appeal.
14. Undertaking on appeal.
15. Order allowing appeal.
16. Assignment of errors for such appeal.
17. The orders of the Court or Judge allowing such appeal.
18. The citation issued on such appeal showing service thereof.

19. Each and all of the several stipulations entered into between counsel extending the return day of the citation; stipulations extending the time in which the statement of evidence to be incorporated in the record on appeal shall be filed; stipulation with reference to consolidating the record and printing of one transcript thereof in the above-entitled case, and also in A-37 and A-57; all stipulations with reference to perfecting the appeal in the above-entitled case.
20. Stipulation entered into in the above-entitled cause, and also in A-37 and A-57 for the approval of statement of evidence.
21. Notice of election by defendants and appellants as to printing of record.
22. This amended praecipe.

Dated Los Angeles, California, November 7th, 1917.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants and Appellants. [1153]

[Endorsed]: In Equity—A-52. In the District Court of the United States, for the Southern District of California, Northern Division. United States of America, Plaintiff, vs. Lost Hills Mining Company, Universal Oil Company and Associated Oil Company, Defendants. Amended Praecipe for Transcript on Appeal. Due service upon plaintiff with a copy of the foregoing Amended Praecipe at San Francisco, California, on this 7th day of November, 1917, is hereby acknowledged, and the ten days' notice pro-



vided for in Equity Rule No. 75 is hereby waived.  
———, United States District Attorney. Frank Hall, Special Assistants to the Attorney General, Solicitors for the Plaintiff. Filed Nov. 8, 1917. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. Joseph D. Redding and Morrison, Dunne & Brobeck, Crocker Building, San Francisco, Cal., Solicitors for Defendants. [1154]

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*In the District Court of the United States of America, in and for the Southern District of California, Northern Division.*

IN EQUITY—No. A-52.

THE UNITED STATES OF AMERICA,

Complainant,

vs.

LOST HILLS MINING COMPANY, a Corporation, UNIVERSAL OIL COMPANY, a Corporation, and ASSOCIATED OIL COMPANY, a Corporation,

Defendants.

**Certificate of Clerk U. S. District Court to  
Transcript of Record.**

I, Wm. M. Van Dyke, Clerk of the District Court of the United States of America, in and for the Southern District of California, do hereby certify the foregoing one thousand, three hundred and twenty typewritten pages, numbered from 1-A to 166-A, and 1 to 1154, inclusive, and comprised in

three volumes, numbered 1, 2 and 3, to be a full, true and correct copy of the record, proceedings and papers upon which the order and decree made on the 20th day of December, 1916, in the above-entitled case, wherein the above-entitled Court made its order appointing Howard M. Payne, Receiver, and that the same together constitute the record in said cause as specified in the said praecipe filed in my office on behalf of the appellants, Lost Hills Mining Company, a corporation and Universal Oil Company, a corporation, by their Solicitors of record.

I do further certify that the cost of the foregoing record is \$528.35, the amount whereof has been paid me by Lost Hills Mining Company, a corporation, and Universal Oil [1155] Company, a corporation, the appellants herein.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed the seal of the District Court of the United States of America, in and for the Southern District of California, this 8th day of December, in the year of our Lord, one thousand nine hundred and seventeen and of our Independence the one hundred and forty-second.

[Seal] WM. M. VAN DYKE,  
Clerk of the District Court of the United States of  
America, in and for the Southern District of  
California. [1156]

[Endorsed]: No. 3095. United States Circuit Court of Appeals for the Ninth Circuit. Lost Hills Mining Company, a Corporation, and Universal Oil

Company, a Corporation, Appellants, vs. The United States of America, Appellee. Transcript of Record. Upon Appeal from the United States District Court for the Southern District of California, Northern Division.

Filed December 17, 1917.

F. D. MONCKTON,  
Clerk of the United States Circuit Court of Appeals  
for the Ninth Circuit.

By Paul P. O'Brien,  
Deputy Clerk.

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*In the United States Circuit Court of Appeals, Ninth  
Judicial Circuit.*

LOST HILLS MINING COMPANY and UNI-  
VERSAL OIL COMPANY,

Defendants and Appellants,

vs.

UNITED STATES OF AMERICA,

Plaintiff and Appellee.

**Stipulation and Order Enlarging Time to and In-  
cluding March 18, 1917, to File Record in Ap-  
pellate Court, etc.**

IT IS HEREBY STIPULATED by and between the parties hereto, by their respective solicitors, in the above-entitled cause, which case is In Equity No. A-52, in the District Court of the United States for the Southern District of California, Northern Division, that the defendants and appellants, Lost Hills

Mining Company and Universal Oil Company, may have up to and including the 18th day of March, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit, and that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit may be enlarged and extended up to and including said 18th day of March, 1917.

Dated February 13, 1917.

ALBERT SCHOONOVER,  
United States Attorney,

E. J. JUSTICE,

Special Assistant to the Attorney General,

A. E. CAMPBELL,

Special Assistant to the Attorney General,

FRANK HALL,

Special Assistant to the Attorney General,

Solicitors for Plaintiff and Appellee.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants and Appellants.

### **Order.**

This cause coming on to be heard upon the application of Lost Hills Mining Company and Universal Oil Company, defendants and appellants, for an enlargement of the return of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit, and it appearing that a stipulation by and between the parties has been filed herein providing that the return day on such citation may be extended up to and including the 18th day of March, 1917;

IT IS HEREBY ORDERED that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit be and the same hereby is enlarged and extended up to and including the 18th day of March, 1917.

Dated February 15, 1917.

WM. W. MORROW,  
Circuit Judge.

[Endorsed]: No. ——. Original. In the United States Circuit Court of Appeals, Ninth Judicial Circuit. Lost Hills Mining Company and Universal Oil Company, Appellants, vs. United States of America, Appellee. Stipulation Enlarging Time to Return Citation and Order. Filed Feb. 15, 1917. F. D. Monckton, Clerk.

*In the United States Circuit Court of Appeals, Ninth  
Judicial Circuit.*

LOST HILLS MINING COMPANY and UNI-  
VERSAL OIL COMPANY,  
Defendants and Appellants,  
vs.

UNITED STATES OF AMERICA,  
Plaintiff and Appellee.

**Stipulation and Order Enlarging Time to and Including May 18, 1917, to File Record in Appellate Court, etc.**

IT IS HEREBY STIPULATED by and between the parties hereto, by their respective solicitors, in the above-entitled cause, which case is in Equity No.



A-52, in the District Court of the United States, for the Southern District of California, Northern Division, that the defendants and appellants, Lost Hills Mining Company and Universal Oil Company, may have up to and including the 18th day of May, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit, and that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit may be enlarged and extended up to and including said 18th day of May, 1917.

Dated March 12, 1917.

ALBERT SCHOONOVER,

United States Attorney,

E. J. JUSTICE,

Special Assistant to the Attorney General,

A. E. CAMPBELL,

Special Assistant to the Attorney General,

FRANK HALL,

Special Assistant to the Attorney General,

Solicitors for Plaintiff and Appellee.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants and Appellants.

### **Order.**

This cause coming to be heard on application of the Lost Hills Mining Company and Universal Oil Company, defendants and appellants, for an enlargement of the return of citation on appeal to the United States Circuit Court of Appeals, for the Ninth Circuit, and for an extension of time within which to

file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit, and it appearing that a stipulation by and between the parties has been filed herein providing that the return day on such citation may be extended up to and including the 18th day of May, 1917, and that the appellants may have up to and including said 18th day of May, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit;

IT IS HEREBY ORDERED that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit be and the same is hereby enlarged and extended up to and including the 18th day of May, 1917, and the said appellants are hereby given up to and including the said 18th day of May, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit.

Dated March 12, 1917.

WM. W. MORROW,  
Circuit Judge.

[Endorsed]: No. ——. In the United States Circuit Court of Appeals, Ninth Judicial Circuit. Lost Hills Mining Company and Universal Oil Company, Appellants, vs. United States of America, Appellee. Stipulation Enlarging Time to Return Citation. Filed Mar. 12, 1917. F. D. Monekton, Clerk.

*In the United States Circuit Court of Appeals, Ninth  
Judicial Circuit.*

LOST HILLS MINING COMPANY and UNI-  
VERSAL OIL COMPANY,

Defendants and Appellants.

vs.

UNITED STATES OF AMERICA,

Plaintiff and Appellee.

**Stipulation and Order Enlarging Time to and Includ-  
ing July 18, 1917, to File Record in Appellate  
Court, etc.**

IT IS HEREBY STIPULATED by and between the parties hereto, by their respective solicitors, in the above-entitled cause, which case is in Equity No. A-52, in the District Court of the United States for the Southern District of California, Northern Division, that the defendants and appellants, Lost Hills Mining Company and Universal Oil Company, may have up to and including the 18th day of July, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit, and that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit may be enlarged and extended up to and including said 18th day of July, 1917.

Dated May 14th, 1917.

ALBERT SCHOONOVER,  
United States Attorney,  
E. J. JUSTICE,  
Special Assistant to the Attorney General,  
A. E. CAMPBELL,  
Special Assistant to the Attorney General,  
FRANK HALL,  
Special Assistant to the Attorney General,  
Solicitors for Plaintiff and Appellee.  
JOSEPH D. REDDING,  
MORRISON, DUNNE & BROBECK,  
Solicitors for Defendants and Appellants.

**Order.**

This cause coming to be heard on application of the Lost Hills Mining Company, and Universal Oil Company defendants and appellants, for an enlargement of the return of citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit, and for an extension of time within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit, and it appearing that a stipulation by and between the parties has been filed herein providing that the return day on such citation may be extended up to and including the 18th day of July, 1917, and that the appellants may have up to and including said 18th day of July, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit;

IT IS HEREBY ORDERED that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit be and the same is hereby enlarged and extended up to and including the 18th day of July, 1917, and the said appellants are hereby given up to and including the said 18th day of July, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit.

Dated May 14, 1917.

WM. W. MORROW,  
Circuit Judge.

[Endorsed]: No. ——. In the United States Circuit Court of Appeals, Ninth Judicial Circuit. *Lost Hills Mining Company and Universal Oil Company, Appellants, vs. United States of America, Appellee. Stipulation Enlarging Time to Return Citation. Order.* Filed May 17, 1917. F. D. Monckton, Clerk.

*In the United States Circuit Court of Appeals, Ninth  
Judicial Circuit.*

LOST HILLS MINING COMPANY, and UNIVER-  
SAL OIL COMPANY,

Défendants and Appellants,  
vs.

UNITED STATES OF AMERICA,  
Plaintiff and Appellee.

**Stipulation and Order Enlarging Time to and In-  
cluding September 18th, 1917, to File Record in  
Appellate Court, etc.**

IT IS HEREBY STIPULATED by and between



the parties hereto, by their respective solicitors, in the above-entitled cause, which case is in Equity No. A-52, in the District Court of the United States for the Southern District of California, Northern Division, that the defendants and appellants, Lost Hills Mining Company and Universal Oil Company, may have up to and including the 18th day of September, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit, and that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit may be enlarged and extended up to and including said 18th day of September, 1917.

Dated July 6th, 1917.

ALBERT SCHOONOVER,  
United States Attorney.

E. J. JUSTICE,  
Special Assistant to the Attorney General,  
FRANK HALL,  
Special Assistant to the Attorney General,

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Special Assistant to the Attorney General,  
Solicitors for Plaintiff and Appellee.

JOSEPH D. REDDING,  
MORRISON, DUNNE & BROBECK,  
Solicitors for Defendants and Appellants.

**Order.**

This cause coming on to be heard on application of the Lost Hills Mining Company and Universal Oil Company, defendants and appellants, for an en-

largement of the return of citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit, and for an extension of time within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit, and it appearing that a stipulation by and between the parties has been filed herein providing that the return day on such citation may be extended up to and including the 18th day of September, 1917, and that the appellants may have up to and including said 18th day of September, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit;

IT IS HEREBY ORDERED that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit be, and the same is hereby enlarged and extended up to and including the 18th day of September, 1917, and the said appellants are hereby given up to and including the said 18th day of September, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit.

Dated July 13, 1917.

WM. W. MORROW,  
Circuit Judge.

[Endorsed]: In Equity.—No. ——. In the United States Circuit Court of Appeals, Ninth Judicial Circuit. Lost Hills Mining Company and Universal Oil Company, Dfts. and Appellants, vs. United States of America, Ptf. and Appellee. Stipulation Enlarging

Time to Return Citation. Order. Filed Jul. 13, 1917. F. D. Monckton, Clerk.

*In the United States Circuit Court of Appeals, Ninth  
Judicial Circuit.*

LOST HILLS MINING COMPANY and UNIVER-  
SAL OIL COMPANY,

Defendants and Appellants,

vs.

UNITED STATES OF AMERICA,

Plaintiff and Appellee.

**Stipulation and Order Enlarging Time to and In-  
cluding November 18th, 1917, to File Record in  
Appellate Court, etc.**

IT IS HEREBY STIPULATED by and between the parties hereto, by their respective solicitors, in the above-entitled cause, which case is in Equity No. A-52, in the District Court of the United States for the Southern District of California, Northern Division, that the defendants and appellants, Lost Hills Mining Company and Universal Oil Company, may have up to and including the 18th day of November, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit, and that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit may be enlarged and extended up to and including said 18th day of November, 1917.

Dated September 10, 1917.

ALBERT SCHOONOVER,  
United States Attorney.

HENRY F. MAY,

Special Assistant to the Attorney General,

FRANK HALL,

Special Assistant to the Attorney General,

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Special Assistant to the Attorney General,  
Solicitors for Plaintiff and Appellee.

JOSEPH D. REDDING,

MORRISON, DUNNE & BROBECK,

Solicitors for Defendants and Appellants.

**Order.**

This cause coming to be heard on application of the Lost Hills Mining Company and Universal Oil Company, defendants and appellants, for an enlargement of the return of citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit, and for an extension of time within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit, and it appearing that a stipulation by and between the parties has been filed herein providing that the return day on such citation may be extended up to and including the 18th day of November, 1917, and that the appellants may have up to and including said 18th day of November, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit;

IT IS HEREBY ORDERED that the return day of the citation on appeal to the United States Circuit Court of Appeals for the Ninth Circuit be, and the same is hereby enlarged and extended up to and including the 18th day of November, 1917, and the said appellants are hereby given up to and including the said 18th day of November, 1917, within which to file their transcript on appeal in the United States Circuit Court of Appeals for the Ninth Circuit.

Dated September 10, 1917.

WM. H. HUNT,  
Circuit Judge.

[Endorsed]: No. ——. In the United States Circuit Court of Appeals, Ninth Judicial Circuit. Lost Hills Mining Company and Universal Oil Company, Dfts. and Appellants, vs. United States of America, Plaintiff and Appellee. Stipulation Enlarging Time to Return Citation. Order. Filed Sep. 12, 1917. F. D. Monckton, Clerk.

*United States Circuit Court of Appeals for the Ninth Circuit.*

IN EQUITY—No. D. C. A-52.

LOST HILLS MINING COMPANY and UNIVERSAL OIL COMPANY,

Appellants,

vs.

THE UNITED STATES OF AMERICA,

Appellee.



**Order Enlarging Time to and Including December 18, 1917, to File Record and Docket Cause Under Subdivision 1 of Rule 16.**

Upon application of Mr. Joseph D. Redding, counsel for the appellants, and good cause therefor appearing, it is ORDERED that the return day of the Citation on Appeal to the United States Circuit Court of Appeals for the Ninth Circuit be, and the same is hereby enlarged and extended to and including the 18th day of December, 1917, and the said appellants are hereby given up to and including the said 18th day of December, 1917, within which to file their Transcript of Record on Appeal, and docket the above-entitled cause in this court.

San Francisco, California, November 7, 1917.

WM. H. HUNT,

United States Circuit Judge.

[Endorsed]: No. —. United States Circuit Court of Appeals for the Ninth Circuit. Order Under Rule 16 Enlarging Time to and Including December 18, 1917, to File Record Thereof and to Docket Case. Filed Nov. 7, 1917. F. D. Monckton, Clerk.

No. 3095. United States Circuit Court of Appeals for the Ninth Circuit. Six Orders Under Rule 16 Enlarging Time to December 18, 1917, to File Record thereof and to Docket Case. Refiled Dec. 17, 1917. F. D. Monckton, Clerk.